

Wall Street rally ends

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# THE JERUSALEM POST

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## Gush says Shamir is 'Jordanizing'

By JOEL GREENBERG  
Jerusalem Post Reporter

Gush Emunim leaders yesterday charged that Prime Minister Shamir was promoting "Jordanization" of the territories by failing to establish new settlements, developing the Arab sector at the expense of Jewish communities, and indicating readiness for territorial compromise.

"Shamir should either fight for the ideals of his Herut Party or admit that he cannot take responsibility for building Judea and Samaria and resign," Rabbi Moshe Levinger told a Jerusalem press conference.

The unprecedented criticism of the premier was the strongest attack by the movement on Shamir's policies since he took office.

Representatives of the Judea and Samaria Settlements' Council did not participate in the press conference.

"Though we share the feelings behind the statements, we cannot be party to the style and the very sharp tone of the remarks made," council

secretary Osnel Shneller told *The Jerusalem Post*.

Shneller said the Gush Emunim leaders made "far-reaching demands" which could not be accepted by the council, which represents a wider range of settler views.

BENVENISTI  
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In the press conference Kiyat Arba attorney Eliakim Haetzni said recent statements by Shamir on the territories were "clear signals to Hussein" and an attempt to "out-Peres Peres." Ofra's Daniel Weiss said Shamir had created "an atmosphere of mystery and secrecy" around political moves, reminiscent of secret diplomacy pursued by Peres when he was prime minister.

Shamir's statements that there were no funds for settlement "are false," Haetzni said. "The failure to establish new settlements is not due to economic reasons but to political



Eliakim Haetzni (Brutmann)

reasons, which will lead to negotiations with King Hussein. There is a majority in the cabinet who support new settlements, but Shamir does not want to raise the issue."

The Gush Emunim leaders

charged that the Judea and Samaria Civil Administration had followed a policy of "Jordanization" in the West Bank, aimed at promoting the Arab sector at the expense of Jewish settlement.

The administration ignored massive Arab tree-planting, crop cultivation and wildcat construction on state land, leading to the loss of 300,000 dunams which could have been used for Jewish settlement, they said.

Weiss charged that the administration had approved and encouraged the unwarranted expansion of Arab city limits, blocking expansion of Jewish communities.

Haetzni said the administration was being "purged of Jews," while more and more posts were being turned over to Arabs. A statement distributed by the speakers called for the resignation of Civil Administration head Ephraim Sneh.

Government policy in the territories threatens to "turn Jewish settlers into cockroaches in a bottle," Haetzni said.

## Back-to-work injunction issued

# Hospital workers meet today on court order

The national assembly of striking government hospital workers is scheduled to convene at 9:30 this morning at Wolfson Hospital in Holon to decide whether to obey the Jerusalem Regional Labour Court's injunction requiring them to go back to work.

The striking administrative and maintenance workers, who have crippled the country's 33 government hospitals, remained off the job for the third day yesterday and claimed they were unable to "get everyone together" before this morning to decide whether to comply with the order.

Legal sources told *The Jerusalem Post* last night that a "first rate constitutional problem" might arise over enforcement of the court order since the Health Ministry has opposed the injunction from the start.

The State Attorney's Office has asked the strikers' employer, in this case Health Minister Shoshana Arbeli-Almosino, to report whether the workers have complied with the court order. If Arbeli-Almosino fails to reply, the state attorney might have to ask the Treasury, which originally pressed for the order, to reply.

If the State Attorney's Office receives a report on non-compliance, it plans to initiate contempt of court proceedings and to ask the Jerusalem Regional Labour Court to impose a NIS 100 an hour fine on leaders of the administration workers' union who do not return to work. The law does not allow for imprisonment of workers who defy injunctions to return to work. Im-

prisonment is possible only in cases of defiance of back-to-work orders issued under emergency regulations.

The strikers have insisted since Monday morning when the walkout began that they will not return to their jobs until the Treasury reconvenes the Padeh Committee. This body was established in the early '70s, with then-Health Ministry director-general Baruch Pudeh as chairman, to ensure that government hospital workers receive the same pay as their counterparts in Kupat Holim Clalit hospitals.

Compiled from reports by Judy Siegel, Menachem Shalev, Avi Temkin and Asher Wallfish.

The Treasury's director of wages, Hillel Dudai, yesterday denied hospital workers' claims that their salaries had fallen behind those of Kupat Holim Clalit employees. He said the real objective of the strike was to undermine the authority of the Padeh Committee.

Arbeli-Almosino, still ill with the flu yesterday, said she had strongly opposed the issuance of the court injunction, but since it had been issued, the workers must return to their jobs immediately.

Energy Minister Moshe Shalev has been trying behind the scenes to get Nissim to convene the Padeh Committee. He spoke by telephone with Prime Minister Shamir and Nissim.

Meanwhile, the situation in the hospitals remained extremely difficult, with garbage piling up, supplies of sterile items running very low and clean laundry almost non-existent. Geriatric and psychiatric patients

were the hardest hit. Sandwiches were purchased from hotels, but these were clearly unsuitable for most patients, who needed easy-to-digest food after surgery, or salt-free food. Old people couldn't chew the food brought in from the outside.

Doctors and volunteers yesterday agreed that if the strikers did not resume work today, a definite danger to life from infection would develop.

The Knesset Labour and Social Affairs Committee yesterday called on the strikers to respect the court order and stop their strike immediately. It also called on the government to negotiate with the employees forthwith, concerning the implementation of the Padeh Committee's report, and bring the negotiations to an end before the court's next session, on Sunday.

Health Ministry director-general Dov Golan said the ministry would not give the Treasury any assistance in its measures against the strikers, and so would not appear in court as a party.

Ronnie Shalem, chairman of the government hospital employees' committee, said that the Treasury has been blocking demands to equalize their pay with the pay of the Kupat Holim hospital staff since 1959.

Binyamin Ben-Eliezer (Alignment-Yahad) said that the Treasury had obstructed the government decision to implement the recommendations of the Padeh Committee, handed down 14 years ago.

Ran Cohen (Citizens Rights Movement) said that the Treasury (Continued on Page 7)

## Levy says: Carry out pledges to electorate

By DVORAH GETZLER  
Post Knesset Correspondent

Premier Yitzhak Shamir must immediately set about implementing the Likud's promise to the electorate — and the coalition guidelines on settlement in the West Bank and Gaza Strip, Deputy Premier David Levy told the Knesset yesterday.

Shamir responded to Levy's charges by deciding to hold a discussion on Levy's proposal for the establishment of six new settlements in the territories in the near future, Israel Radio said last night. The premier's spokesman said that Shamir does not rule out Levy's proposal, but thinks it should be discussed in various forums, including a meeting with an opposition leader, before a decision is taken.

Levy yesterday launched a slashing attack on Shamir, saying that he had "sent" him a plan for building in the territories — plans that he had drawn up "as a member of the Likud and as a member of the government" — and the plans had not yet been brought up for discussion. Levy expected that they would be discussed and decided on before the Knesset deals (next week) with the budget proposals.

"The claim that monetary stringencies make it impossible to establish new settlements is an empty claim. It is totally unconnected with reality. The six settlements under discussion need a total investment of \$18 million," said Levy, who was replying to a motion for the agenda on the subject by party colleague Michael Eitan.

"The man who undertakes in the name of the government, who signs, and pumps money to the extent of hundreds of millions of dollars into all sorts of different sectors...and then cries that \$10 million can't be spent on settlement...that man is lying to himself, lying to others, and lying to his party," said Levy.

If the six settlements provided for in the coalition agreement were not set up soon, it would be the Likud's fault, the Likud's failure to fulfill its mission.

It was not a matter for the Knesset, said Levy, promising that he would pass Eitan's expressions of concern to Shamir, so that the matter would be dealt with immediately. "That's the message I'll pass on faithfully," he said.

And Eitan was content with the promise.



of failing to warn Hungarian Jews of Nazi plans to exterminate them.

Greenwald was prosecuted for libel but acquitted. Kastner tried to pursue the case through the civil courts, but was shot dead in Tel Aviv before the matter could be settled.

A Board spokesman stated that, apart from possibly defaming Shamir, the play also implies that David Ben-Gurion and Chaim Weizmann, among other Zionist leaders, were prepared to sacrifice Hungarian Jewry in their efforts to establish the State of Israel.

yesterday over the case of a diplomatic immunity after British girl.

The U.S. embassy said declined to waive diplomatic on such issues.

## Arafat meets Tunis

TUNIS (Reuters). — Palestinian deputy military commander Rachid Sfar, it was reported between the PLO chief and on PLO personnel here four

## 42 dead in Chile bus

TEMUCO, Chile (AP). — A wood collided yesterday was reported. The collision occurred when the bus tried to turn right.

## Pers

HONG KONG (AP). — A

## Irish parliament formally dissolved, election launched

DUBLIN (Reuters). — Irish President Patrick Hillery yesterday formally dissolved parliament, paving the way for a four-week election campaign that will be dominated by a crisis in the republic's economy.

Prime Minister Garret Fitzgerald trailing opposition Fianna Fail leader Charles Haughey in opinion polls, went to the president's Phoenix Park residence following the collapse of his coalition government.

## German abducted in Beirut

BEIRUT (Reuters). — A second West German was reported missing in Moslem West Beirut yesterday amid indications that he had been kidnapped.

Alfred Schmidt, an electrical engineer with the Siemens company, was last seen being escorted from his hotel wearing pyjamas and a leather jacket, a Siemens spokesman in Germany said.

West German Ambassador Antonius Eitel told the Shi'ite Amal militia that Schmidt had been abducted. Amal foreign relations department head Hassan Youssef told reporters.

Schmidt was the second West German reported seized in West Beirut

since a Lebanese suspected of hijacking a TWA airliner to Beirut in 1985 was arrested at Frankfurt Airport a week ago.

Rudolf Cordes, a representative of Hoechst Chemical Company, was abducted on Saturday.

A guard at West Germany's consulate in Christian East Beirut said the embassy subsequently urged all West Germans, including Schmidt, to leave the Moslem half of the city.

He said most of them had now complied. Residents estimated that about 50 West Germans had been living in West Beirut.

Schmidt's abduction, which raised the number of kidnapped foreigners

missing in Beirut to 22, coincided with a visit to Lebanon by British church envoy Terry Waite to seek freedom for Western hostages.

The Bonn government had linked Cordes's kidnapping to the arrest of the Lebanese hijack suspect, Mohammed Ali Hamadei.

Hamadei was arrested by airport police after he arrived from Beirut and was found to be carrying explosives.

The U.S. is seeking his extradition to stand trial after fingerprint tests identified him as one of three suspects in the hijacking of the TWA plane, during which a U.S. Navy diver was shot dead.

## Haj for Israel Moslems all the year round

By ELAINE RUTH FLETCHER  
For The Jerusalem Post

Israeli Moslems may make the pilgrimage to the holy city of Mecca year-round, and not just during the season of the Haj, an interministerial committee decided yesterday.

The decision is in line with recent policy changes by Jordan and Saudi Arabia, permitting Israeli Moslems to travel to Mecca throughout the year, said a spokesman for Minister Moshe Arens, coordinator of minority affairs.

The interministerial committee was headed by Amos Gilboa, Arens' new senior adviser on minority affairs.

Until now, Israeli Moslems could make the trip to Mecca only in the month prior to the Haj, the pilgrimage on the eve of the Id al-Adha festival.

During the Haj, Moslems make the ritual journey to the site of the Ka'aba in Mecca, where Islam holds that Abraham prepared to sacrifice Ishmael.

Prior to the policy change, the pilgrimage to Mecca at other times of the year — called the "Umra" — could be made by Moslems from the territories, but not by Israeli citizens.

Arens formally presented the policy change yesterday to a delegation headed by the president of Israel's sharia courts, Sheikh Tewfik Azzaia, and Hussein Abu Alai, chairman of the committee on the Haj.

Azzaia thanked Arens for the decision, which he described as one of "much importance to all Moslems in Israel."

## Shas coalition stand still up in the air

By SARAH HONIG  
TEL AVIV. — Shas leader and Likud minister failed yesterday to find a formula to keep Shas in the coalition and possibly even return Rabbi Yitzhak Peretz to the cabinet.

Although the fortnight that Shas gave the coalition to prevent the party's walkout ended yesterday, Shas' supreme political authority, the Council of Tora Sages, is yet to convene to decide on the party's next move. Sources in the Likud and Shas told *The Jerusalem Post* that effort to find a solution would go on for "a few more days" at least, though Shas has been described as "greatly disillusioned."

Shas has offered several solutions that would effectively erase the nationality category from ID cards but retain the information in the population registry, thereby circumventing the High Court ruling on the nationality status of Reform converts.

The Likud has rejected every one of Shas's suggestions except one that proposes setting up a ministerial committee for six months to examine possible solutions to the convert registration problem.

During this time the nationality category on ID cards would remain unspecified and a notation would be added that details are available at the population registry. If the nationality category is retained after the committee completes its task, the withheld information would be filled in later. The Likud ministers stressed that aspects of this proposal would need the Knesset Law Committee's approval, which is far from certain.

A number of Likud ministers told

*The Post* that the Likud is resolved not to agree to any formula which would do away with the nationality category, even on a temporary basis. They said that hints from Shas that a majority in their party secretariat supports joining a narrow coalition led by Labour "are a transparent attempt at extortion."

The National Religious Party Bureau said last night that a narrow coalition is not possible without the NRP and that the NRP will not join such a Shas initiative.

Labour sources told *The Post* that their party cannot be seen as ready to "give in to the religious parties even on issues in which the Likud has already had more than it can take."

Highly placed Shas sources told *The Post* that no date has yet been set for the Council of Sages meeting, but that it would take place "within a few days." Coalition sources see this as an encouraging sign that Shas is unwilling to take the crucial step out of the coalition.

Another Shas proposal, which the Likud seems to reject *a priori*, is that an old, seldom-enforced Mandate regulation be revived and applied to converts to Judaism. The regulation states that anyone who joins a religious community must bring written proof from the head of that community.

Likud sources told *The Post* that it was unlikely that an "antique regulation" would now be applied to converts from overseas. This is seen in the Likud as another version of National Religious Party suggestions that the conversions of immigrants be subject to the approval either of a rabbinical court here or of the Religious Affairs Ministry.

## Syrian and Iraqi leaders to attend Islamic summit

KUWAIT (AP). — Two key Arab leaders, Presidents Hafez Assad of Syria and Saddam Hussein of Iraq, were reported yesterday to have agreed to attend an Islamic Summit in Kuwait, boosting efforts to end the 6-year-old Gulf war.

As Islamic leaders continued efforts to persuade Iran, Iraq's enemy in the war, to drop its boycott of the January 26 summit, Arab diplomatic sources stressed that the presence of Assad and Hussein, longtime rivals, at the conference will enhance moves to heal Arab rifts.

Syria is Iran's main Arab ally against Iraq. Damascus has resisted efforts by Saudi Arabia, Kuwait and other Arab countries to heal the rift that would close Arab ranks and put pressure on Iran to end the Gulf war by isolating it.

Assad was quoted by the *Al-Qabas* newspaper as saying he will attend the summit in response to an appeal by Kuwait's ruler, Sheikh Jaber al-Ahmed al-Sabah.

The paper quoted Suleiman al-Shaheen, undersecretary of Kuwait's Foreign Ministry, as saying Tuesday that Saddam Hussein also will attend.

Assad told *Al-Qabas* newspaper he had not originally intended to attend, but changed his mind after the message from the Kuwaiti ruler.

"Sheikh Jaber's letter said Kuwait desired me to attend, and I will attend the conference personally at the head of the Syrian delegation, God willing," he was quoted as saying.

Meanwhile, officials reviewing proposed agenda items for next week's Islamic Summit have rejected a Syrian drive to condemn Egypt and Morocco for their contacts with Israel, delegates said.

They said a majority of the experts had agreed on the need to avoid divisive issues that could mar the Islamic Conference Organization talks. The main items on a draft agenda obtained

by Reuters News Agency are the Palestine question, the status of Jerusalem and the Iran-Iraq war.

Delegates say progress towards a peaceful resolution of the conflict will be tough because of the absence of Iran, which is boycotting because of Kuwait's tilt toward Iraq.

Afghanistan is also high on the summit's priorities and the Kuwait News Agency said yesterday that seven Afghan rebel groups fighting the government in Kabul would be represented, led by Abdul Rab Rasul Sayyaf.

Afghanistan's membership was suspended following the invasion of Soviet troops in 1980.

Other agenda items approved by the experts yesterday included Libyan involvement in Chad, last year's U.S. bombing of Libya, Moslem minorities in Bulgaria, Israel's nuclear programme, famine in Africa and U.S. arms sales to Iran.

## Irish widow spurns Israeli compensation

DUBLIN (AP). — The widow of the Irish soldier killed earlier this month by Israeli gunfire while on peacekeeping duty in Lebanon has rejected an Israeli offer of \$30,000 in compensation as "arrogant, insensitive and ill-timed."

"Those who were responsible for my husband's murder think that they can lessen their guilt in the eyes of the world by offering me money," Molly McLoughlin said in a statement issued on her behalf by the Irish Army on Tuesday night.

Her husband Dermot, killed by Israeli tank fire, was the seventh Irish soldier to be killed since the 740-man Irish contingent was sent to Lebanon with Unifil in 1978.

"This was not the first time that grief has come to an Irish family as a result of action by people controlled by Israel," said McLoughlin, a mother of five.

She said her husband joined Unifil "to try to do some good. How many more members of Unifil have to be exposed to injury before the ordinary people of Israel wake up to what is being done in their name in Lebanon?"

She claimed to have no interest in the outcome of the investigation Israel is conducting into the circumstances of the shooting, saying: "It has been clearly established that an Israeli tank deliberately fired into his UN post."

(See story — page 2)

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COPENHAGEN	-8	4	Cloudy
FRANKFURT	-8	4	Cloudy
GENEVA	-5	3	Cloudy
HELSINKI	-10	2	Cloudy
HONGKONG	15	25	Clear
LONDON	-5	3	Cloudy
MADRID	-2	8	Cloudy
MONTREAL	-18	-1	Clear
NEW YORK	-5	3	Cloudy
OSLO	-10	2	Cloudy
PARIS	-5	3	Cloudy
RIO DE JANEIRO	18	28	Clear
SAO PAULO	18	28	Clear
STOCKHOLM	-10	2	Cloudy
TOKYO	10	20	Clear
VIENNA	-5	3	Cloudy
ZURICH	-5	3	Cloudy

\*For the latest weather conditions contact Swissair.

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## THE WEATHER

Forecast: Partly cloudy, temperatures will drop.

	Yesterday's	Yesterday's	Today's
	Humidity	Min-Max	Max
Jerusalem	46	14-21	13
Golan	46	12-20	15
Nahariya	37	14-17	12
Safad	37	14-17	12
Haifa Port	65	9-21	18
Tiberias	65	9-21	18
Nazareth	75	10-20	17
Afula	68	7-18	14
Shomron	68	7-18	14
Tel Aviv	77	14-19	17
B-G Airport	69	12-19	16
Jericho	49	8-22	20
Gaza	70	16-18	17
Beersheba	69	13-19	17
Eilat	40	13-24	22

## SOCIAL & PERSONAL

The Rotary Club will hold a business meeting at the Tel Aviv Hilton at 1:15 today.

The "Inner Wheel," comprising spouses of Rotary members in Israel, on Tuesday marked its 30th anniversary at a festive meeting, which included a fashion show, at the Tel Aviv Hilton.

## Hard nut to crack

A stone found in an Egozi chocolate bar cost the Nazareth Candy Company NIS 700.

In 1985, a Jerusalem resident bought an Egozi bar, which is filled normally with roasted nuts, and bit into a stone one centimetre in diameter.

She filed a charge against the company for marketing a defective product. The company admitted guilt and was fined yesterday in the Jerusalem Magistrates' Court.

## Kindergarten as usual

TEL AVIV. — The closing of kindergartens at 11 a.m. yesterday marked the end of school sanctions for this week, and all classes will be held today and tomorrow as scheduled.

On Friday, Histadrut Teachers' Union secretary-general Yitzhak Wellber is expected to meet with Finance Minister Nissim, and the results of that meeting will determine what sanctions, if any, will be instituted next week.

Meanwhile, at the initiative of the National Parents' Association, parents have been asked to keep children from the fifth grade upwards at home until 9 a.m. on Sunday.

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## HOME NEWS

# Winter threatens to come back

By ANDY COURT  
For The Jerusalem Post  
Israel's umbrella salesman will soon be back in the business. After about 10 days of summer weather, winter will return this weekend. Several days of showers are expected to provide as much as 50mm. of rain in some areas, and temperatures will drop by as much as 10 to 15 degrees, the Meteorological Service said yesterday.

The rain will start on Friday and will continue at least through Monday, duty officer Robert Olinsky said. "People planning trips up north to the Hermon should check to make sure it's not closed because we're expecting snow up there."

The coastal plain, which has enjoyed the temperatures as high as 30 degrees, will have 14-degree weather on Saturday. In Jerusalem, where yesterday's temperature was 21, the air will cool to 8 or 9 degrees.

Bradley Burston adds from Beersheba: "Though near-record rainfall levels have been recorded this year in much of central and northern Israel, some Negev-area farmers are watching the clear winter skies with mounting anxiety."

"For growers of field crops, particularly wheat and barley, yields will be well below average this year if rainfall doesn't substantially increase in the near future," Agriculture Ministry Negev expert Salem Abu Siam said yesterday.

He noted that while Gaza and the adjacent western Negev had already succeeded their average annual rainfall levels, the Negev's southern and eastern sectors have seen little rain since the heavy initial downpour ended in November.

## Senior officers blamed for Unifil incident

By JOSHUA BRILLIANT  
Post Defence Reporter  
TEL AVIV. — Two senior officers from the Northern Command are being held responsible for the accidental attack on the Unifil position in Barashit 12 days ago.

Three IDF shells were fired at the Unifil position, killing an Irish soldier. A disciplinary action against the two was ordered by O/C Northern Command Aluf Yossi Peled after conferring with Chief of General Staff Rav Aluf Moshe Levy.

## Amnesty will check on missing men

By MENACHEM SHALEV  
Jerusalem Post Reporter

Amnesty International will try to ascertain the whereabouts of Israeli soldiers missing in Lebanon since the war, the organization's secretary-general Ian Martin told the soldiers' families yesterday.

Yona Baumei, father of missing soldier Zecharia Baumei, told The Jerusalem Post last night that the meeting with Martin had been "very positive" and that he had come away from it "encouraged."

Baumei said the families would forward further information to Amnesty and that he anticipated that the organization would officially launch a search for the missing soldiers.

Earlier, Martin met with a Justice Ministry team headed by Attorney-General Yosef Harish. Martin was told that Amnesty's reports on Israel were "unbalanced," compared with its reviews of other countries in the region. (See related story page 4.)

Some 10 minutes later Peled phoned Levy at his home and reported the incident. A colonel was appointed to determine what went wrong.



MK Charlie Biton (Israel Sun)

## Judge scored Biton

A Haifa District Court judge complained several years ago about the "unseemly" intervention of MK Charlie Biton in a criminal trial then pending against his brother, David.

## New police lead on murder-rapes

TEL AVIV. — A local resident, arrested Sunday night for attempting to commit an indecent act, may be the violent rapist-killer from the south, police here suspect.

Detectives from the south, who have been investigating the rape and murder of tourists Miriam Stocker and Lucy Amos for the past year, yesterday joined police here in questioning the suspect.

The police were tipped off Sunday night by a woman caller who complained that she had been assaulted earlier that evening.

A man allegedly slipped her and attempted to commit an indecent act after she refused to go up to his apartment, she said. When he grew angry, she added, his face twitched — a mannerism attributed to the southern rapist.

Police suspicion was also aroused by the fact that he drove a Subaru as did the rapist in the south — and had several times used Subarus from a car-hire firm.

The suspect, who has a police record, is said to be in his early thirties and somewhat resembles the identikit picture assembled from various sources, police said. Publication of his name has been banned. His remand was extended for eight days on Tuesday in the Tel Aviv Magistrates' Court.

## Rabin defends order halting Palestinians

By DVORAH GETZLER  
Post Knesset Reporter

Gaza lawyer Faez Abu Rahme and deposed Hebron mayor Mustafa Natshe were prevented from travelling to an Israeli-Palestinian seminar at California's San Diego University this month because "they are connected with PLO-oriented bodies," Defence Minister Yitzhak Rabin told the Knesset yesterday.

He himself had given the order, the minister said. Rabin was replying to an urgent question by the Progressive List for Peace's Mohammed Miari.

"On journeys abroad in the past they have met with senior people in the terror organizations who used them to relay instructions relating to the activities of those organizations in the territories," Rabin said.

Pressed further as to whether his move had not been part of an understanding with Jordan, Rabin said he knew nothing of any such agreement.

Answering a supplementary question by Shulamit Aloni, who wondered whether the government had toughened its policy, Rabin said: "There has been no change since this government came to power, except in response to changing circumstances, from time to time."

Rabin said he didn't care what label was used, whether Palestinians referred to terrorism or to armed struggle from the territories — it was all the same. The law would be applied against anyone associated with illegal activities.

"The law permits us a variety of means of action, all of them lawful, the choice is up to us."

"We may use prosecution, administrative detention, expulsion, exile, limitations on freedom of movement — these are all legal tools for combating terror," Rabin said.

## Dispute still heated on Kupat Holim

By AVI TEMKIN  
Post Economic Reporter

There is no end in sight to the dispute between the Treasury and the Histadrut on government funding for Kupat Holim Clalit.

Deliberations between ministry and health fund officials yesterday failed to bridge the gap between the sides, and the package deal concluded by the Histadrut, the government and the private employers remains unsigned.

"The gap seems wider than we thought before the meeting," Treasury officials said yesterday. It had been hoped before the meeting that an agreement would be found, based on Tuesday's declarations by Histadrut Secretary-General Yisrael Kessar after a meeting with Finance Minister Moshe Nissim.

According to the officials, the parties are divided over some NIS 50m.-60m. The Treasury is willing to increase funds to Kupat Holim by NIS 40m., to pay some of the costs involved in implementing the agreement with the nurses. But the Histadrut health fund has presented demands totalling NIS 100m., the officials said.

The Treasury and Kupat Holim were nearer an agreement on the NIS 50m. short-term debts which Kupat Holim wants rescheduled with the government's help, the officials said.

The Treasury men said yesterday they had told the Histadrut and Kupat Holim officials that the government would not deviate from the March 1986 agreement between them. Even so, they said, Kupat Holim Clalit could raise NIS 70m.-80m. without government help, simply by sticking to the terms of that agreement.

The officials said that the total cost of debt servicing had been envisaged as costing NIS 30m. in the March 1986 agreement. Moreover, Kupat Holim could work out an agreement to reschedule a NIS 25m. debt to the Histadrut. In addition to these sums, the Treasury said, the health fund disposed of an unforeseen NIS 10m.-15m. in revenue from employers' fees to the health fund.

## MKs sling criticism at civil service, Treasury

By DVORAH GETZLER  
Post Knesset Reporter

If the civil service were to rid itself of the innumerable ministerial aides who flock around the committee rooms of the Knesset, many of the missing slots in the health services could easily be funded, the Alignment's Ora Namir claimed in the Knesset yesterday.

She and eight other MKs from across the political spectrum thundered forth against the Treasury and its Minister Moshe Nissim for having prevaricated over the pay rise due to administrative and technical government hospital workers. Such delays had led to the current "tragic" strike and the "appalling plight" of so many elderly and totally incapacitated patients, they said.

Namir said that the workers' claim that there was no one to talk to was fully justified. The government had let matters slide so that there was no permanent official in charge of wages, and no civil service commissioner to press for activation of the Padeh Committee. That body was set up to equalize the wages of government hospital staffers with those of employees of the Histadrut's health fund.

Ran Cohen (Citizens Rights Movement) said that Health Minister Shoshana Arbeli-Almosino (at home in bed with flu) should turn the tables on the Treasury.

"The Treasury man said he didn't give a damn about the government's ruling that led to the Padeh Committee," Arbeli-Almosino should now say she doesn't give a damn about the Treasury, and then let's see them refuse the wage increases."

Knesset members were particularly upset that the Treasury had overruled the health minister and obtained back-to-work orders.

Former health minister Eliezer Shostak (Likud) described that as "unconscionable." It had not happened during the prolonged doctors' strike three years ago or during last year's nurses' strike, and it should not have happened now.

David Magen (Likud) described the Treasury's move as a "dangerous precedent."

Energy Minister Moshe Shahal, who replied for the government, had little comfort to offer. In a strange move, which Knesset members refused to accept, Shahal suggested that the Knesset call on the government to unite with it in a call to activate the Padeh Committee.

he stopped short of committing himself to raising the matter in cabinet.

Cohen urged the Treasury to try and pay up. "If you do now, you'll only have to pay later. That's the pattern of strikes."

And realizing that that is the way it will be, the Knesset to refer the matter to where greater pressures be applied.

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Italian Defence Minister Giovanni Spadolini after receiving an honorary doctorate (Andre Bruttman)

## Warmth for Peres' ideas

## IN PERSON BENNY MORRIS

Visiting Italian Defence Minister Giovanni Spadolini most probably crossed swords with Prime Minister Yitzhak Shamir at their meeting yesterday. Shortly before the meeting, Spadolini told me: "I share the political ideas of (Foreign Minister) Peres," and expressed the "hope and wish" that Peres's Jordanian policy would be continued "also after rotation."

Spadolini said that he regards "international conference" for Middle East peace as "the most appropriate instrument" to achieve a negotiated settlement in the region. The conference, he made a point of adding, "should include the Soviet Union."

Spadolini says he sees the conflict final settlement — which will "solve the Palestinian problem and guarantee Israel's borders and right to live — based on 'some form of Jordanian-Palestinian federation'."

This is Spadolini's third visit to Israel in two years, without doubt record for a senior European minister. A year ago he briefly resigned over the weak-kneed Italian release of Shlomo PLO chairman Abu Ayyub who planned the hijacking



## S. African mystery attack: 7 children among 12 dead

KWAMAKHUTA (Reuters). - Twelve black people, including seven children, died in a hail of automatic rifle fire early yesterday as gunmen staged a mystery attack in this poor South African township.

One of the most horrifying acts in three years of political violence in South Africa, unknown gunmen sprayed a township house with bullets and then went to a nearby hut where they massacred sleeping children, residents said.

The government's bureau for information said two other people were wounded in the attack on Willie Ntuli's house in Kwamakhuta, near the Indian Ocean resort of Amanzimtoti.

Press reports said a 10-year-old boy, Ernest Ntuzhini, escaped unharmed, but police reported that Ntuli, 50, was killed in the attack.

A bureau spokesman said Soviet-made NK-47 automatic rifles used in the attack suggested that African National Congress (ANC) guerrillas, fighting white domination in South Africa, could have been responsible.

Townships in the Durban area have seen fierce clashes between supporters of the anti-apartheid United Democratic Front (UDF) and the conservative million-strong Zulu cultural organization Inkatha.

But Kwamakhuta residents were mystified by the attack. They said Ntuli did not belong to any political organization.

Neighbours said they were wakened at about 2 a.m. when a white saloon car pulled up outside the Ntuli house and a number of gunmen piled out and began shooting.

The inside of Ntuli's four-roomed brick house was covered with blood, according to a Reuters correspondent at the scene. Bullet holes pocked the walls.

The correspondent said it appeared as if the gunmen

had moved through the house, shooting some occupants in their beds, before moving to the nearby mud hut where children between the ages of three and seven were murdered.

He said there was nothing to support earlier reports which said the attackers hurled petrol bombs into the house before opening fire.

Several Inkatha members have been attacked in Kwamakhuta in recent months. A member of the legislative assembly of the KwaZulu tribal homeland, B.M. Dlamini, died earlier this month after his home was petrol-bombed.

He told a police passing-out parade in Natal that the ANC was trying to tip the scales in favour of violent solutions, which would lead to a Marxist one-party state in South Africa.

He said the ANC had already infiltrated the South African police and army.

In its daily report on political unrest, which has claimed more than 2,300 lives in South Africa since early 1984, the Bureau for Information said a black man suffered burns after his home was set on fire in Johannesburg's Soweto township.

Blacks who join tribal homeland structures set up by Pretoria are regarded as collaborators by black radicals.

Chief Mangosuthu Buthelezi, leader of the KwaZulu homeland which lies close to Kwamakhuta, said yesterday that Inkatha members were being killed and assaulted in an internationally-sponsored attempt to make South Africa ungovernable.

The bureau has been the government's mouthpiece on political unrest since President P.W. Botha declared a national state of emergency last June to try and stop the violence.

## The long shadow of the Kastner case

### London play is cancelled

By DAVID HOROVITZ  
Jerusalem Post Correspondent

LONDON. - The Royal Court Theatre yesterday announced the cancellation of "Perdition," a play condemned by Anglo-Jewish leaders as "a defilement of Jewish history," which had been due to open this evening.

The decision was taken after a four-hour meeting of the theatre's governing council, in the wake of complaints by Jewish leaders and independent historians alike that the play was littered with historical inaccuracies. Furthermore, according to a spokesman for the Board of Deputies of British Jews, Prime Minister Yitzhak Shamir is named in one version of the play, and may have grounds for a libel case against the playwright.

The theatre's governing council has never been shown a copy of the script, and it decided that, until the text could be checked by both the theatre's legal advisers and by an independent historian, it should not be staged.

The theatre's artistic director, Max Stafford-Clark, issued a statement yesterday to the effect that,

while "we do not accept that there are factual inaccuracies in the play or that it is anti-Semitic...we do accept that going ahead would cause great distress to sections of the community." This consideration, he added, "finally outweighed our determination to proceed with the play."

Historian Martin Gilbert, who read the script, found that it contained 45 distortions, but playwright Jim Allen has said repeatedly that he stands by every word of his text.

Allen could not be reached for comment yesterday.

"Perdition" is based on the 1954 legal battle in Israel between Dr. Israel Kastner and a fellow civil servant, Malchiel Gruenwald. Gruenwald accused Kastner of collaboration with the Nazis in Budapest, alleging that Kastner paid the Nazis \$1 million to allow a few Jews, including his family, to escape. Kastner was also accused of failing to warn Hungarian Jews of Nazi plans to exterminate them.

Gruenwald was prosecuted for libel but acquitted. Kastner tried to pursue the case through the civil courts, but was shot dead in Tel Aviv before the matter could be settled.

"Perdition" takes up the theme of Zionist leaders' collaboration with the Nazis and extends it to an attack on the entire Jewish leadership during the war and on modern Israel, according to historian David Cesarani, of the University of London.

Cesarani castigated the play yesterday as "one of the most serious examples of anti-Semitic writing in Britain in recent years."

The Jewish leaders are depicted as "cruel, ruthless and heartless," said Cesarani, quoting a line from the play which states that "the State of Israel is coined in the blood of Hungarian Jews."

At a press conference shortly after the Royal Court's decision was announced, Board of Deputies President Lionel Kopelovitz praised the cancellation as "a victory for common sense, justice and good judgment."

A Board spokesman stated that, apart from possibly defaming Shamir, the play also implies that David Ben-Gurion and Chaim Weizmann, among other Zionist leaders, were prepared to sacrifice Hungarian Jewry in their efforts to establish the State of Israel.

## Mild 'El Nino' returns - but Europe still freezes

WASHINGTON (AP). - A strange weather phenomenon that claimed more than 1,000 lives and did billions of dollars worth of damage four years ago has returned in a milder form, according to government weather experts.

Known as El Nino, this event starts as a simple warming of the Pacific Ocean but can spread from there to worsen drought in Africa, dump major snowstorms on the U.S., disrupt fishing in South America and inundate other areas with unusual rains.

The National Oceanic and Atmospheric Administration issued a statement yesterday saying conditions that have now spread across the Pacific "resemble those observed

during a mature phase of an El Nino."

But the current El Nino is "nowhere near as intense as four years ago," said a research meteorologist at the Federal Climate Analysis Centre in Washington.

Weather changes that have occurred so far include a reduction in the normally heavy rainfall patterns in the region of Southeast Asia, wetter than normal weather on the Gulf coast and southeastern U.S. and mild conditions in the northwest and Alaska.

Meanwhile, sub-freezing temperatures continued in parts of Europe. In Poland, three more people froze to death and a woman died in a fire, officials reported yesterday.

## 20 Kurds in Palme case released

STOCKHOLM (Reuters). - Police hunting the killer of Swedish Prime Minister Olof Palme faced a storm of criticism yesterday after 20 people, most with Kurdish connections, were picked up for questioning during police raids.

Three Kurds were detained Tuesday and told by police they were suspected of being accomplices in the murder of Palme almost a year

ago. But only hours later they were released, together with a fourth man, dashing hopes that the murder was close to being solved.

The man leading the police hunt, Stockholm police chief Hans Holm, defended the raids and detectors, saying the investigation of another murder in Stockholm's Kurdish community had revealed links with the Palme case.

## Irish parliament formally dissolved, election launched

DUBLIN (Reuters). - Irish President Patrick Hillery yesterday formally dissolved parliament, paving the way for a four-week election campaign that will be dominated by a crisis in the republic's economy.

Prime Minister Garret Fitzgerald, trailing opposition Fianna Fail leader Charles Haughey in opinion polls, went to the president's Phoenix Park residence following the collapse of his coalition government Tuesday over draconian spending cuts.

Four labour ministers walked out in ideological protest over proposed social welfare and health cuts, prompting Fine Gael party leader Fitzgerald to call an election for February 17.

Fitzgerald, eager to underline the need for belt-tightening measures, promptly slapped new taxes on cigarettes and petrol and presented budget proposals to freeze public sector pay, cut foreign aid, increase medical charges and close Irish embassies.

Ireland, a country of 3.5 million people, has a soaring national debt, widening budget deficit, income taxes of up to 58 per cent and one of the highest unemployment rates in the European Community - 19.3 per cent.

## 42 dead in Chile bus-truck collision

TEMUCO, Chile (AP). - A crowded bus and a truck heavily loaded with wood collided yesterday, killing at least 42 people and injuring 15, police reported. The collision on the southern highway south of Santiago occurred when the bus tried to pass another vehicle in the two-lane highway.

## Personality problems behind Hu's dismissal

HONGKONG (AFP). - Former Chinese Communist Party chief Hu Yaobang's fall from grace resulted mainly from a deteriorating personal relationship with his mentor, top leader Deng Xiaoping, and an unwillingness to abide by the rules of collective leadership, a Chinese source said here yesterday.

The "overly ambitious" Hu was more a victim of his own personality than of student demonstrations that shook China last month, said the source, a well-informed Chinese figure here who asked not to be identified.

The key to the official communique on Friday announcing Hu's resignation, according to the source, was a reference to the 61-year-old leader's "violation of the party's principle of collective leadership during his tenure."

Hu's departure will inevitably result in the purge or demotion of protégés within the party and the government, said in Peking and in the provinces, he said.

He singled out two stars whose political futures are now at stake - propaganda chief Zhu

## Four Iran cities bombed

NICOSIA (AP). - Iraq said yesterday its Air Force jets struck hard at Qom, seat of Iran's religious hierarchy, and three other cities after its ground forces halted an Iranian advance on Basra.

Iranian military communiques, broadcast by Teheran's Islamic Republic News Agency, reported heavy ground combat east of Basra, but reported no major advances toward the city.

The agency said overnight combat left 1,500 more Iraqis killed or wounded, bringing Iraqi casualties since the push toward Basra began January 9 to 33,000.

Also yesterday, Iran's Prime

Minister Hussein Musavi said that the U.S.-Iran talks aimed at returning \$507.7 million in assets were not connected to the issue of American hostages in Lebanon.

Talks between Iranian and American officials in The Hague to settle the dispute over the Iranian money, held by the United States broke down late last year. No reason was given.

Musavi's latest remarks follow a statement by the U.S. Secretary of the Treasury earlier this month that the United States could consider the release of Iranian assets if Iranian officials stopped linking it to the hostage issue.

## U.S. said agreeing to big Syrian presence in Beirut

ABU DHABI (AP). - The U.S. has sanctioned a large-scale Syrian military presence in Beirut on condition that American hostages are released within two weeks, the semi-official newspaper *Al-Itihad* reported yesterday.

Quoting unidentified Lebanese diplomatic sources, the paper said the American agreement has been conveyed to Lebanese officials by the U.S. ambassador to Lebanon.

John Kelly. The Syrian troops would supervise the implementation of a security plan in Beirut's western sector in an attempt to end four months of fighting between Shi'ite Moslem militiamen and Palestinians, the paper said.

The sources expected the Syrian troops to deploy in the Lebanese capital by the end of this week, the paper said.

## Jordan court sentences four Kawasmeh assassins

AMMAN (AP). - A military court has sentenced a Palestinian to death and three others to prison terms in the 1984 slaying of PLO executive and deported Hebron mayor Fahd al-Kawasmeh, a government official said yesterday.

The Jordanian official disputed a report by the semi-official *Abu Dhabi* newspaper *Al-Itihad*, which said that four Palestinians had been condemned to death and six were given life sentences in the case.

Al-Kawasmeh was assassinated in the Jordanian capital on Dec. 29, 1984, about a month after his election to the PLO's Executive Committee as head of the Occupied Territories Department.

The government official, who spoke on condition of anonymity, said the Jordanian cabinet has endorsed the military court's sentences.

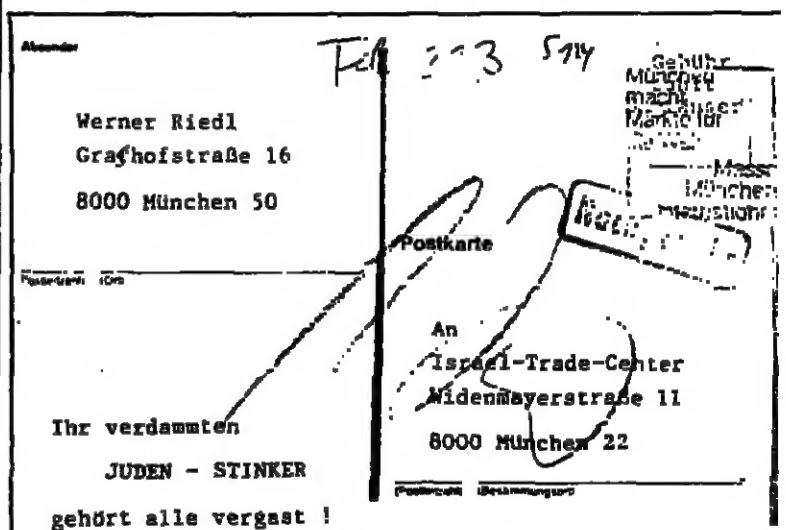
But he said the sentences, which were handed down in December still needed approval from King Hussein.

No date for implementation of the sentences has yet been announced.

He said the Palestinian condemned to death carried a Jordanian passport. *Al-Itihad* said the convicted assassins were mainly members of the Syrian-backed Fatah uprising group led by Col. Saïd Moussa, also known as Abu Moussa.

Al-Kawasmeh, 48, was elected by the Palestine National Council, the Palestinians' parliament-in-exile which met in Amman in November 1984 despite opposition from the pro-Syrian factions.

*Al-Itihad* said the assassins were arrested in September, 1985. The Jordanian authorities kept the arrests secret.



The above postcard was received by Israel trade centre in Munich last week, with a large swastika drawn on the back side. It reads: "You damned stinking Jews. You all should be gassed." According to the trade centre director Baruch Shefer, the Munich police have not been able to identify the sender, and the return address is assumed fake.

## East Europe cautious about Gorbachev's 'openness'

By JUDY DEMPSEY  
VIENNA. - When Mikhail Gorbachev first came to power nearly two years ago, countries such as Bulgaria and Czechoslovakia were less than lukewarm about his appointment. His new, more direct style threatened their old Brezhnev

ways. As the months progressed with little sign that Gorbachev would be dislodged from his post as general secretary of the Communist Party, the media in both countries were forced to respond to the changing mood in the Soviet Union.

In the early months of Gor-

bachev's rule, the Czechoslovak press often published abridged versions of his speeches which were scathingly critical of corruption, lack of discipline, bureaucracy and incompetence. These are features which characterize the Czechoslovak leadership today.

The speeches were, as one Czech put it, "too close to the Czechoslovak leadership's bone." But now, the press in Czechoslovakia has had to toe the line reluctantly on glasnost, or openness.

The caution, however, remains. For instance, an incident occurred during the summer when a theatre company from Prague performed a play in the Slovak capital of Bratislava. The gist of the play was that "real existing socialism" could produce an adverse effect on the family. The Slovak Communist Party daily *Pravda* launched an attack on the play, accusing it of using the same language as "our ideological enemies abroad."

Change is also blowing into the Bulgarian capital of Sofia. The media is now more critical of corruption, bureaucratic incompetence and cover-ups. The children's author, Georgi Mishev, writing in the weekly cultural magazine *Narodna Kulturna* in September last year said: "Until not so long ago there was tacit

prohibition on writing about discussing, investigating or studying the ugly social phenomenon of an official misusing his rights for personal gain." At last, writes Mishev, the taboo is being lifted, but only timidly.

But taboos are not being lifted in East Germany. While the leadership in East Berlin welcomes the Soviet economic and social reforms, the reception of *glasnost* has been cool. The media in East Germany is one of the most tightly controlled in Eastern Europe, on a par with Romania. Even after the Chernobyl nuclear accident, the East German authorities kept a firm grip on the media, refusing to be nudged into taking a more open approach to environmental and economic problems.

The media in Romania is even reluctant to acknowledge the phenomenon of *glasnost*. An article in the newspaper *Romania Libera* on December 25 had no qualms in calling for even more secrecy, implying that *glasnost* will have no role in the Romanian media. It is already an offence for Romanian citizens to talk to foreigners. All such conversations must be reported to the authorities.

In contrast, Hungary and Poland have had over the years a press which is critical and open about official policy. The more specialist

journals in both countries reveal fascinating insights into social and political problems. True, few Poles expect little criticism from the party daily *Trybuna Ludu*, but compensate by reading the weeklies and monthly journals, particularly the Catholic weekly *Tygodnik Powszechny*.

It's much the same in Hungary where the economic weekly, *Heti Világvasárnap* as well as the sociological monthlies, *Válasz* and *Társadalom Szemle* contain trenchant analyses of the socialist system as well as the market economies. *Glasnost* is certainly alive and well in Poland and Hungary.

These two countries, however, are exceptions. The rest of Eastern Europe is being forced to open the doors to *glasnost*. Even when they do, this does not mean they will do anything about the corruption, the mismanagement or the abuse of office - issues which Gorbachev openly attacks.

He has coupled *glasnost* with certain deeds - corrupt officials have been replaced while boorish and arrogant newspaper editors have been demoted. But such things, as yet, have not taken place in Eastern Europe.

London Observer Service.

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## TEL AVIV UNIVERSITY

### The Pikovsky-Valazzi Fund for Post-Doctoral Fellowships 1987/8

The Fund offers post-doctoral fellowships to Israeli citizens for research in the fields of electronics, applied biology, applied chemistry and applied physics which should be suitable for application to and use in science-based industry.

All applications should include a curriculum vitae, list of publications, and a short research proposal. Applicants may write to: the Dean of the Faculty of Engineering (electronics); to the Dean of The Raymond and Beverly Sackler Faculty of Exact Sciences (applied chemistry and applied physics); to the Dean of The George S. Wise Faculty of Life Sciences (applied biology), Tel Aviv University.

Applications must be submitted not later than March 1, 1987.











## Bull market makes novelist nervous

# Wall Street willies

By MICHAEL CONNOR  
NEW YORK. — Best selling novelist Paul Erdman, who makes millions telling terrifying tales of make-believe financial catastrophes, says Wall Street's recent buying binge gives him the shivers.

"It's a typical speculative run-up that we've so often seen in history," said Erdman, author of *The Crash of '79* and *The Panic of '89*, just published in the U.S.

"If this goes much further, I'm calling my broker and getting out." A Swiss-trained economist and former banker, Erdman said the stunning 30 per cent, 600-point gain in the Dow Jones Industrial average since November 1985 may be a prelude to a big fall.

"I'm still optimistic about the economy," he told Reuters in an interview. "I think the standard forecasts are right: 2.5 per cent growth, 2.5 per cent inflation, a drop in interest rates. But I think the markets are getting ahead of themselves."

Outside the markets, Erdman makes his living by concocting tales of the nightmares of money men and investors. They are inspired by current business and economic trends and largely based on his own economic forecasts.

His previous novels, international best sellers all, include *The Silver Bears* and *The Billion Dollar Sure Thing* and have covered such topics as silver market speculation and financial fall-out from the upheaval in oil-producing Iran.

His new novel, *The Panic of '89*, is about a conspiracy by Venezuelan oil men, a Swiss banker and terrorists to destroy America's financial

system by starting a run on the Bank of America.

It has sex, violence, boardroom skulduggery and a plot which turns on a sudden drop in oil prices and the repudiation by Latin American countries of hundreds of billions in loans from American banks.

That, in turn, causes a giant run on U.S. banks by overseas investors who have financed the huge U.S. deficit.

"I think there's about a 20 per cent chance all those things would come together and create a serious financial crisis in January, 1989," Erdman said. "It would require an improbable convergence of events. After all, it's a financial adventure story."

But Erdman, who estimates he will make \$2 million from the new novel, which will appear in Britain and a dozen or so other European and Asian nations, says the makings of a crisis are all in place.

"Remember that to a very great degree this country's enormous economic expansion during the Reagan administration has been bought, and it has been bought through debt. In one term, President Reagan built up more national debt than all his predecessors combined, even as far back as George Washington."

"To finance the huge budgetary deficits in the U.S., we have been importing savings from abroad at a terrific rate," he said.

"My fear, which is shared by others, is that if something happens to the Third World, and if the Japanese and the Western Europeans pull the plug — in other words start withdrawing that half to full trillion dollars they have on deposit here — look out."

The book, too, turns on anti-Americanism. Nearly every non-American character is moved by a dislike of the U.S. as much as by the chance to score financial or ideological points.

"In financial circles, there is great resentment of Citibank, Bank of America and the other big American banks," Erdman said. "The Venezuelans have long disliked us. A Gallup poll in Europe asked which superpower was more dangerous, and two to one said the U.S."

Erdman, born in Ontario, Canada, 52 years ago and now a resident of Northern California, wrote his first novel in a Swiss jail more than a decade ago.

Swiss regulators had imprisoned him for 10 months in a converted monastery because a U.S.-owned bank based in Switzerland, which he had been running, violated Swiss banking rules on its way to losing \$40m. in trading commodity futures.

His jailers let him have a typewriter, and he started a novel because he had little else to do. The book, *The Billion Dollar Sure Thing*, became an international best seller.

"I start with a hypothesis," he said of his novels. "That Bank of America is still in trouble. That the price of oil will be around \$15 a barrel. I think it through and establish mental parameters."

"It's high risk stuff because it takes me two to two-and-a-half years to write a book. A lot of things can change in that time."

"I write in spurts. And when I sit down at the word processor, in my mind's eye, I have a general scheme. But I then let things go their own way."

## EC leader warns U.S. against trade war fisticuffs

STRASBOURG (AP). — Sir Henry Plumb, the newly-elected president of the European parliament said yesterday the U.S. will end up with a "bloody nose" in its trade dispute with the European Community.

"The Americans would be well advised to recognize that if there is to be a punch-up in the playground, they will get a bloody nose," the 61-year-old British Conservative said in his first speech as parliament president.

He said U.S. plans to retaliate for higher duties on exports of grains to Spain are unjustified and "designed to frighten us into submission."

On another issue, Plumb pledged to seek greater powers for the largely advisory assembly.

The U.S. announced last month it would double tariffs on imports of a range of European foodstuffs at the end of January to compensate for the loss of grain sales to Spain which it says total \$400-500 million annually.

Last week, the 12-nation EC warned it would respond by imposing surcharges of U.S. imports of corn gluten feed and rice into the community if the U.S. goes ahead with its import curbs.

Plumb urged the 518-member EC parliament to back EC governments on any retaliatory action.

"In political terms, we [the EC] are justified in complaining about a situation where, for example, the American government is taxing European grain and brandy more than Russian vodka," he said.

Gin and brandy, imported to the U.S. mostly from Britain, are among the products facing a 200 per cent levy.

Willy de Clercq, the EC's external trade commissioner, and U.S. special trade representative Clayton Yentle are to meet in Washington later this week to try to head off a trade war.

## THE TAX BURDEN / Jeff Broide

# The vagaries of VAT

Value Added Tax (VAT) was introduced in Israel in 1976 and is reported on and payable — or refundable — every month, unless the taxpayer is exempt.

VAT is levied on four main taxpayer categories: authorized dealers, small dealers, non-profit organizations and financial institutions.

Authorized dealers are liable to VAT at 15 per cent on turnover and may set off VAT paid on expenses (capital or revenue) where covered by appropriate tax invoices.

This category includes:   
□ Taxpayers whose turnover exceeded NIS 35,000 in the previous tax year and who employ more than two people.   
□ Members of the liberal professions (lawyers, doctors, architects, etc.).

Small dealers are taxpayers who are not registered as authorized dealers (turnover in previous year less than NIS 5,903). They may not issue tax invoices, which are necessary for the set-off of VAT. Where entitled to a VAT refund, they can set off the "surplus" in subsequent reports, but may not receive an actual refund.

Non-profit organizations are liable to VAT at 6.25 per cent on wages and salaries paid and may not set off VAT paid on expenses.

Financial institutions include banks and insurance companies, liable to VAT at 15 per cent on salaries paid and on profits from operations in Israel. Here too, the VAT paid on expenses may not be set off against the VAT due.

Other taxpayer categories   
In the case of importers, VAT is levied on imported goods at 15 per cent of their value for customs purposes, including any taxes or duties payable.

Traders who deal in used cars, used furniture, coins, medals, securities, marketable documents and foreign exchange are liable to VAT on the difference between the selling price and the original purchase price of their merchandise.

Dealers in postage stamps, telephone tokens, and revenue stamps, etc., sold at face value, are liable to VAT on the commissions received.

Set-off of VAT paid on expenses   
VAT paid on expenses may be set off against VAT payable, provided that such payments are supported by appropriate tax invoices from authorized dealers and that six months have not elapsed since the issue of the invoice or document.

The following VAT payments may not be set off:   
□ VAT paid by non-profit-making institutions or financial institutions.   
□ VAT paid before proper registration with the VAT authorities. (An exception is made of a business in the process of being organized.)   
□ VAT paid on the purchase of a private motor vehicle. (This does not apply to car dealers and driving schools.)   
□ VAT paid on the purchase of a residential dwelling, and on related services, by a dealer who operates from his residence.   
□ VAT paid on local entertainment expenses. But entertainment of overseas business associates is deductible.   
□ VAT paid on expenses incurred in transactions which are exempt from VAT.   
□ VAT paid to small dealers (those not registered as authorized dealers) who are not entitled to issue tax invoices.   
□ VAT paid on expenses incurred for the benefit of employees, unless actually sold to the employee (includes meals, gifts, accommodation and entertainment).   
□ VAT paid on expenses which are not entirely for business (deductible in relation to its proportional use in the business. Where this is not possible, two-thirds of such VAT may be set off where the use is mainly for business, or one-third where the use is mainly personal).

General   
Where the price includes packaging, VAT is chargeable on the price of the goods, including packaging, even where the packaging is returnable to the seller. In such cases, i.e. on return of a container, the dealer will issue a credit note as for a normal return of goods.

Where an amount is paid as a deposit or warranty for the performance of a transaction or to secure rights thereto, and such amount is not refunded within six months, it will be treated as part of the consideration for the transaction if not already so treated. The period may be lengthened according to circumstances and practice in the particular trade.

An amount received from a client-customer to cover expenses may be treated as a deposit on condition that a suitable tax invoice is issued, fully recording details of the expenses, and provided the amount is deposited in a separate bank account for this purpose.

Within 14 days of completing a transaction an invoice must be issued. In certain instances, such as receipts for services over a long period, or periodic payments on property dealings or receipts by tax-payers who keep books of account on a cash basis (liberal professions, etc.), invoices must be issued within seven days of receipt. Only authorized dealers may issue "tax" invoices and must do so on demand.

This is the first of two parts.   
Jeff Broide is a certified public accountant. Questions may be addressed to him c/o The Jerusalem Post.

## Another firm closes shop in South Africa

THE DUTCH FIRM SHV, owner of the Makro supermarket chain, has become the fourth foreign company to announce its withdrawal from South Africa so far this year.

About 50 foreign firms have now announced their withdrawals since the beginning of 1986 — the vast majority, at least 39, being U.S. corporations.

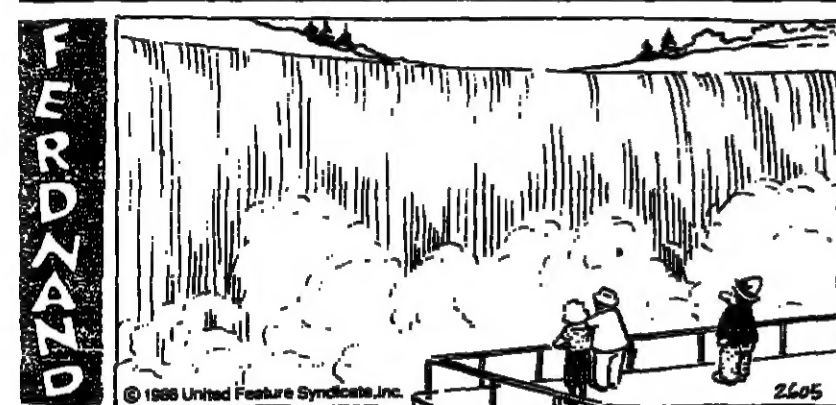
SHV, which controls five large

supermarkets in South Africa, said this week it had been forced into withdrawing by "terrorism," after three Dutch Makro stores were hit by arson attacks.

Analysts here warned that the anti-apartheid movement, having tasted blood by forcing the withdrawal of Makro, could now intensify pressure on the oil giant Shell to quit South Africa.

Last October, Shell South Africa, the country's biggest oil firm, warned that it might have to break ties with South Africa if anti-apartheid pressure on its parent, Royal Dutch Shell, mounted considerably.

Three more U.S. firms have said so far this year that they were leaving South Africa for a combination of economic and political reasons.



## Teva to sell bone drug in Europe

By ANDY COURT  
For The Jerusalem Post

Teva Pharmaceutical Industries expect to increase sales by several million dollars through an agreement signed recently with an international company that will market one of Teva's drugs against bone disease in a major European country, company officials said yesterday.

The officials would not name the company, but said Teva was negotiating with it over marketing and distribution rights in other countries as well.

The drug that will be sold is called Alpha D<sub>2</sub>, a Vitamin D-based drug that is used to restore the calcium balance in patients whose bones have been weakened by dialysis. The drug has been on the Israeli market for about four years.

Patients with kidney problems often develop bone diseases because dialysis causes a calcium imbalance in the bone, according to Dr. Ben-Zion Weiner, director of Teva's research and development division. "We have patients who break their bones, when they cough," Weiner said.

Alpha D<sub>2</sub> is just one of a number of Vitamin D-based drugs that Teva has developed or is in the process of developing. The company will soon seek Health Ministry approval for a new Vitamin D drug that can be used in combination with Alpha D<sub>2</sub> to strengthen bones.

For the past three years, the company has also produced a Vitamin D drug to fight milk fever in cows.

Teva, the largest pharmaceutical company in Israel, expects to chalk up \$150 million in sales this year, according to Dan Susskind, the company's chief financial officer.

Sonol workers sue to see managers' salaries   
HAIFA (Itim). — Tenured workers at Sonol have filed suit in the Haifa District Labour Court against the management of Sonol, demanding disclosure of the managers' salaries.

The employees said in their fight for a 25 per cent pay raise to narrow the gap between their own salaries and those of management.

Management claims that their salaries were fixed by the Histadrut and that they are comparable with those paid in other sectors.

The court is to discuss the case tomorrow.

## WORLD BUSINESS IN BRIEF

### Lien slapped on Khashoggi's Manhattan home

NEW YORK (AP). — Adnan Khashoggi, the Saudi tycoon who helped arrange the U.S.-Iranian arms deal, could lose his luxurious Manhattan apartment unless he pays \$2.2 million remaining on a loan from a British firm, court papers show.

State Supreme Court Justice Jawn Sandifer, at the request of Lornho PLC of London, signed an order Friday seizing the condominium in the Olympic Tower.

The sumptuous two-storey residence, said to be worth \$30m., consists of 16 smaller apartments on the



Hundreds of Japanese cars, pictured in this recent file photo, are lined up at Oppama Pier, south of Tokyo, ready for export. Japan recorded a trade surplus of \$86.2 billion in 1986. (AFP telephoto)

## Cheap entertainment

By SIMON LOUISSEON  
and KEN SCHACHTER  
Jerusalem Post Reporters

TEL AVIV. — Whether it's low cost night riding by camel in the Negev or buying two servings felafor for the price of one, you can find it — along with other cheap deals — in the Entertainment Israel coupon book.

Published for the second year, the book offers 500 discounts on food and entertainment.

Entertainment Israel Ltd., publishers of the book, purchased the franchise for Israel from the Detroit owners, Entertainment Inc., a public company established 25 years ago in the U.S.

Entertainment Israel managing director Michael Reiner says the book encourages people to try things out and if they are pleased they will tell their friends. Businesses listed in the book are exposed to a wider market.

Last year over 10,000 of the books were sold and Reiner hopes to exceed the figure this year. Backing those hopes is a 25 per cent increase in the number of participating firms.

Over half the offers are food-related, ranging from fast food to fine dining. Other offerings include discounts on fashion and tour packages at home and abroad.

Reiner expects to sell the book, which includes an English supplement, to overseas tourists through the Hertz rent-a-car firm and Jewish organizations in the U.S. and England.

He says the book is especially

useful for people unfamiliar with a particular area, since it can give them ideas of what to do.

He says the company was more careful this year about which businesses it included in the book. As with all such coupon books problems sometimes arise over discounts offered, when a business changes hands.

Entertainment does not allow sublet businesses entry to the book and the company keeps a mailing list of customers to inform them of changes.

## It really works, but beware

Using the Entertainment book can be as easy as clipping a coupon and flashing a card.

On a recent jaunt to a Tel Aviv eatery, the counter attendant accepted the coupon without question, and soon produced two hamburgers for the price of one.

A note of caution: Users of cards like Entertainment's in the U.S. have found it's vital to read the instructions and provisions on each coupon.

Not every franchise of a restaurant chain necessarily accepts the coupon. The coupons may be valid only on certain days of the week. Or, as noted on the Entertainment coupons, if a hotel "projects" that it will fill up, it need not grant the discount.

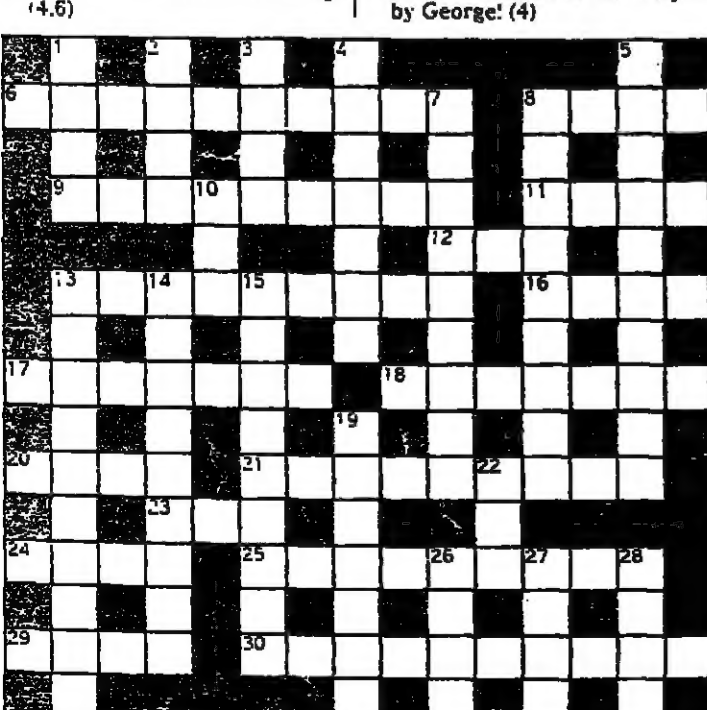
## CROSSWORD

### ACROSS

- 6 Round figure? Not half! (10)
- 8 Small enclosure for ape (4)
- 9 Maybe not the most agreeable of oarsmen (6,3)
- 11 Violently attacks container vessels (4)
- 12 Look both ways (3)
- 13 Get away with a faultless round at Hickstead, say (4,5)
- 16 Hideout adapted from 26 (4)
- 17 Made a poor living on the fiddle (7)
- 18 Potter's Twitchet (7)
- 20 A bit like a card game without point (4)
- 21 Academic entitled to a chair (8)
- 23 Middle of the week as it used to be (3)
- 24 & 29 To which one may be treated at a hen-party (4,4)
- 25 He could be amusing or a fool (9)
- 28 See 24
- 30 No good purpose at camp? (4,6)

### DOWN

- 1 & 2 Something to look back on (4,4)
- 3 Tom Sawyer's friend from Helsinki? (4)
- 4 Skip about and point to man under canvas (7)
- 5 Runner-up to the ace angler? (10)
- 7 Could be real need to take a bearing here in Cumbria (9)
- 8 Flowers reminiscent of Verdi's Violetta (9)
- 10 A 4, one may say without hesitation (3)
- 13 Corner-boy who captured a plum prize (4,6)
- 14 Tell man we upset no harm intended (5,4)
- 15 Revolutionary with a quiet team in the City (9)
- 19 Working at home can be killing (5,2)
- 22 Spring in Belgium (3)
- 23 Rave over the corkcraze (4)
- 27 Light attractive aircraft (4)
- 28 Seaside attraction for Chopin, by George! (4)



## SCRIBBLE PAD

Yesterday's Solution   
 JUMPBALL STAFFS   
 A A N O   
 MANGEVE RAPIER   
 J G M O P P P   
 ALLIANCE MANGER   
 R E N A C R A I I   
 A T A L A T I V E S   
 R C L T O Y E E   
 I V O R Y C O A S T   
 G M R N E R E P   
 H O P P E R I D E R I C H   
 P U S V N O   
 O N T A I L C H E S S I N   
 U E R T O A S O   
 T I R A G E A P P L E T O N

## QUICK SOLUTION

ACROSS: 1 Deers, 4 Talking, 8 Steamer, 9 Ditto, 10 Avail, 11 Operose, 13 Earl, 15 Report, 17 Easter, 20 Omar, 22 Winsome, 24 Begum, 26 Drive, 27 Trapper, 28 Wantage, 29 Terse, DOWN: 1 Despair, 2 Arena, 3 Sampler, 4 Torpor, 5 Ladle, 6 Intrest, 7 Globe, 12 Plea, 14 Atom, 16 Pension, 18 Arblast, 19 Remorse, 21 Mettle, 22 Widow, 23 Omega, 25 Gaper.

## QUICK CROSSWORD

- |                   |                      |
|-------------------|----------------------|
| ACROSS            | DOWN                 |
| 7 On the way      | 1 Place of learning  |
| 8 Practical       | 2 Not as large       |
| 10 Quondary       | 3 Poe                |
| 11 Motionless     | 4 Pain-killer        |
| 12 Submissive     | 5 Tender             |
| 13 Mar            | 6 Fabric             |
| 17 Skirmish       | 9 Had sample (anag.) |
| 18 Entrance       | 14 Throw away        |
| 22 Fundamental    | 15 Remark            |
| 23 Full of energy | 16 Go ahead          |
| 24 Wine           | 19 Overweight        |
| 25 EEC member     | 20 Crooked           |
|                   | 21 Trap              |



MARKET PLACE  
CAL MANKOWSKI

Surging to the crunch

The surging U.S. stock market is making it difficult for brokers to control costs and could cause them a paperwork crunch, a top industry executive warns.

"We are apt to wake up and find a headache splitting us from one ear to the other," according to George Ball, chairman and chief executive officer of Prudential-Bache Securities.

If volume mushrooms from present record heavy levels, Ball says, the back-office operations of major firms may be swamped by the same kind of backlog that developed in the 1960s.

The problem in the late 1960s led to curtailed trading hours as Wall Street firms struggled to catch up.

Ball urges Wall Street to avoid problems now by making sure back-office systems are reliable and dependable. "Rock solid is more important than state-of-the-art technology," he says. "If a problem does develop, we can kiss Glass-Steagall goodbye," he says, referring to the efforts of the banking industry to cross the barriers of a U.S. law that restricts their activities in securities.

Ball says Prudential-Bache processed 60,500 tickets for customers on Tuesday, a firm record.

Ball also warns that fixed costs on Wall Street have ballooned along with the rising markets. He says personnel costs last year were up 30 per cent over 1985 levels and non-personnel costs rose 25 per cent. It will be difficult to trim these "unacceptable" costs if interest rates suddenly go up or the market rally stalls and business contracts.

To control cost, staff must be reduced or salaries cut, he says.

One solution is to make research analysts contribute their know-how to the investment banking activity of their firm "to justify what they're being paid."

Top analysts on Wall Street earn \$300,000 per year and more at many firms.

Ball says the practice of using research analysts in investment banking started "in dribs and drabs" five years ago and now is prevalent. The analyst often knows companies and their capital needs better than members of the corporate finance department.

He says an ethical problem could be posed by mixing the research and investment banking functions but he believes it is possible to face it in advance and deal with it.

Holland's finance minister talks to the Post's Pinhas Landau  
Dutch prove inflation can be beaten

Imagine a country in which, at the beginning of the year, you can say with confidence that the rate of inflation will be about minus 1 per cent for the coming year—barring unforeseen disasters. In which real Gross National Product will rise by 2-2.5 per cent, because private investment and consumption will go up while unemployment will continue to fall. In which the government's share of total GNP has fallen by over 1 per cent in each of the last four years.

This Utopia, beyond the wildest dreams of Israeli would-be reformers, actually exists.

A country in which—wait for it—every minister's budget has been cut, bar two, and the degree of cabinet cohesion—in a coalition government—is so high that the finance minister is actually assisted, rather than opposed, by his colleagues in the cutting of their budgets.

A country in which the voters returned to power a government that had promised nothing but tough measures which would lead to unemployment in the short term, because they were prepared to accept that these were necessary to achieve a healthier economy.

This Utopia, beyond the wildest dreams of Israeli would-be reformers, actually exists. It is a small, flat and boring place in northwestern Europe called Holland. Its boring nature aside, it has several striking similarities with a small, bumpy and exciting place in the eastern Mediterranean called Israel. The main similarity lies in the fact that both countries have small, open economies subject to the combined influence of foreign and domestic events, and in which trade is so dominant that imports and exports together exceed total GNP.

There used to be another similar-

ity—the linkage of wages. But the Dutch ditched linkage, and have become much happier as a result. The man who persuaded them to do so, and had much to do with the other economic achievements, is the country's finance minister, 47-year-old Dr. Onno H. Ruding.

Ruding recently visited Israel and gave an interview to *The Jerusalem Post*, in which he avoided talking about the Israeli economy per se, but nevertheless shed light on what might be achieved here by explaining what had happened in Holland in recent years.

The formal background to Ruding's visit was not bilateral, but stemmed from the fact that Holland is head of Israel's group in the International Monetary Fund. Because of this, the two countries maintain close economic links, one aspect of which is periodic visits by the Dutch finance minister. Ruding has been here several times in the past, both as finance minister and in his former capacity as executive director of the IMF. He therefore boasts having "some experience," as he put it, with the Israeli economy.

Beyond the standard remarks about being impressed with the achievements of the economic plan in containing inflation, and noting the need to take further action, Ruding was prepared to make one firm statement of general policy. To Israeli ears, this advice—to reduce government spending—is as common as it is ignored. The Dutch, however, have actually done it.

Their welfare-state system raised total government spending to 70 per cent of GNP by the early eighties. In addition to the general West European malaise of high spending and high unemployment, they had their own problem, coined the "Dutch disease" by economists. This stemmed from the discovery of gas in the North Sea in the late '60s and the consequent balance of payments surplus which sent the value of the guilder soaring, so that Dutch goods

and services were priced out of world markets. Wage-linkage systems completed the picture, by ensuring that wages kept going up in real terms, until they accounted for over 90 per cent of the country's income.

A right-wing coalition came to power in 1982, led by the Christian Democratic party, to which Ruding belongs. Unlike the Thatcher government in Britain, which after seven years has failed to dent public spending, but has certainly had an impact—strongly negative—on unemployment, the Dutch right-wingers reduced government spending to 65 per cent of GNP. They succeeded in leading the economy out of the 81/82 recession and into a steady growth pattern of over 2 per cent per annum since 1984, with a hefty trade and balance of payments surplus, and a strongly rising currency, while inflation has come down to 1 per cent in 1986 and a projected minus 1 per cent in 1987. (How they know what it's going to be in 1987 is beyond this reporter's understanding, despite the fact that Ruding explained it in his excellent English).

Unemployment, meanwhile, has tumbled from 17 per cent to 13 per cent of the work-force—"still very high," in the minister's words, but moving in the right direction. On the civil service, Ruding noted that at first he had tried simply cutting wages to encourage movement from the public to the private sector. While this worked, it induced the best people to leave with the mediocre remaining. The new strategy therefore is to reduce the number of people while leaving wages intact.

The Dutch economy's GNP growth and the fall in unemployment are both coming from the private sector, where consumption and investment are rising, rather than from the shrinking public sector. Every ministerial budget has been reduced, excepting for overseas aid, where the Dutch insist on spending about 1

per cent of their GNP, and the defence budget which has to grow by 2-3 per cent a year in real terms, according to an agreement among the Nato countries.

In addition to the relevance to the Israeli economy of the policy directions that the Dutch used to solve the crisis they were in five years ago, the politics of it is fascinating from an Israeli perspective. The ministers, as noted, actually cooperated, while the voters were prepared to buy the line that austerity today really can be a prelude to prosperity tomorrow, and that big government and too much welfare leads to higher unemployment in the long run. In the elections last year, the Christian Democrats increased their strength, which is the political proof of their having succeeded in improving the economy.

In the elections last year, the Christian Democrats increased their strength, which is the political proof of their having succeeded in improving the economy.

The economic proof can be seen in the fact that when the Deutschmark is revalued within the European Monetary System, the Dutch guilder goes with it. The Dutch economy is, quite naturally, overshadowed by its giant partner to the east, but in recent years it has managed to hold its own, while countries like Belgium and Denmark have been left behind.

So it can be done, and done properly. Maybe it's not such a boring place, after all.

'Sharon not involved in decision to ban import of lamb'

By MICHAEL YUDELMAN  
Jerusalem Post Reporter

Industry and Trade Minister Ariel Sharon was not involved in the decision to ban the import of lamb to Israel, officials in Sharon's office told *The Jerusalem Post* yesterday.

The officials said that authority to make the decision was in the hands of an interministerial committee consisting of the directors-general of the Industry and Trade and Agriculture Ministries and the Finance Ministry official in charge of imports. The sources stressed that the Finance Ministry had no superior standing over the Industry and Trade Ministry, which makes its majority basis.

However, whether or not in fact meet to

Both Agriculture and Industry and Trade Ministry representatives opposed importation of lamb import, because they felt it would destroy the local industry, it was learned.

The allegations against Sharon made by Knesset Members Haim Ramon (Labour) and Dedi Zucker (Citizens Rights Movement) are groundless, because Sharon is careful to have nothing to do with the committee's decisions, and deliberately avoids any involvement in these matters, the officials from Sharon's office said.

The officials also said that Industry and Trade Ministry Director-General Yoram Belisovski accepted the Agriculture Ministry's position that lamb import would hurt local sheep farmers.

Agriculture Ministry spokesman Naftali Yaniv told *The Jerusalem Post* that there was an abundance of meat in Israel, though there might be a shortage of lamb. He said there was no need to import lamb.

Yaniv added that the Agriculture Ministry opposes the importation of lamb because it would require bringing live sheep to Israel for slaughter and would harm local sheep farmers.

Envoys meet on world trade

GENEVA (Reuters).—Envoys from 92 nations met here today to try to break a deadlock—mainly between the U.S. and the European Community—over the negotiating form of a new Gatt round aimed at promoting freer world trade.

Delegates said vital economic interests were at stake in the bargaining to shape the new round of the General Agreement on Tariffs and Trade (Gatt), which was launched with political fanfare last September by trade ministers in Washington.

The so-called "Uruguay round" has already lost momentum due to an impasse on its organization, delegates said.

The four-year Uruguay round for the first time includes negotiations on agriculture and the services sector—in addition to manufactured goods.

The most politically sensitive subject on the table is the question of agricultural subsidies which governments provide to help their exports capture markets despite huge world surpluses.

In informal talks this week, envoys have worked to narrow deep divisions over the round's structure before a meeting today with Gatt Secretary-General Arthur Dunkel.

Volcker warns on fall of dollar

WASHINGTON (Reuters).—Federal Reserve board chairman Paul Volcker warned about the obvious dangers of a continuing devaluation of the dollar and said it was not policy in and of itself in dealing with the U.S. trade deficit.

"I don't think it is a sensible policy to drive the dollar down until you see the improvement in trade," Volcker told the Senate banking committee, in answer to questions about the dollar's fall in recent days.

Volcker said other factors had to be considered in dealing with the trade deficit and that he was not in any disagreement with the administration on the issues.

Volcker said the dollar is close to a competitive level in world markets.

White House spokesman Larry Speakes restated the U.S. position on the level of the dollar yesterday, saying, "any report we are trying to talk the dollar down is erroneous."

Speakes also said the U.S. continued to abide by an agreement on currency values reached by the G-5 in September 1985. "The position on the dollar has been stated and stated clearly," he said. "That is an orderly decline of the dollar...our basis remains the Plaza Agreement."

FINANCIAL DATA: ISRAEL, EUROPE, U.S.

**ISRAEL MONEY MARKETS**

**SHEKEL INTEREST RATES**  
PRIME BORROWING RATE: 1.58% per month  
Unlinked Deposit (Annual Rates)

LEUMI	HAPOLIM	DISCOUNT	MIZRAHI	FIRST INTL
12.1	10.15	11.17	13.50	10.04

Rates vary according to size of deposit.  
(Tapes: demand deposit paying daily interest.  
Pakam: fixed-term deposit available from 7 to 89 days.)

**PATAH—FOREIGN CURRENCY DEPOSIT RATES (January 21)**

USD (\$100,000)	2-MONTHS	3-MONTHS	12-MONTHS
5.500	5.375	5.125	5.125
STG (100,000 pounds)	3.375	3.375	3.500
DMK (100,000 marks)	2.250	2.250	2.250
SFR (50,000 francs)	2.250	2.250	2.250
YEN (3,000,000 yen)	2.250	2.250	2.250

Rates vary according to size of deposit and are subject to change.

**SHEKEL FOREIGN EXCHANGE RATES (January 21)**

Currency basket	Buy	Sell	Banknotes	Buy	Sell	Rep. Rates
U.S.A. Dollar	1.5870	1.5880	1.58	1.58	1.58	1.5778
Deutschmark	0.5721	0.5731	0.56	0.56	0.56	0.5732
Pound Sterling	2.4531	2.4538	2.40	2.50	2.46	2.4646
French Franc	0.2316	0.2326	0.23	0.27	0.26	0.2634
Japanese Yen	1.0487	1.0528	1.03	1.07	1.07	1.0588
Dutch Florin	0.7746	0.7843	0.76	0.78	0.78	0.7801
Swiss Franc	1.0412	1.0563	1.02	1.06	1.06	1.0478
Swedish Krona	0.2463	0.2483	0.24	0.26	0.26	0.2489
Norwegian Krone	0.2281	0.2288	0.22	0.23	0.23	0.2278
Danish Krone	0.2302	0.2331	0.23	0.24	0.24	0.2318
Finnish Mark	0.3602	0.3646	0.34	0.36	0.36	0.3628
Canadian Dollar	1.1884	1.2033	1.18	1.20	1.20	1.1980
Australian Dollar	1.0576	1.0610	0.98	1.08	1.08	1.0745
S. African Rand	0.7783	0.7850	0.50	0.80	0.80	0.7813
Belgian Franc	0.4144	0.4196	0.41	0.42	0.42	0.4234
Austrian Shilling	1.2415	1.2576	1.22	1.27	1.27	1.2804
Italian Lira	1.229	1.2446	1.20	1.26	1.26	1.2389
Jordanian Dinar	—	—	4.51	4.78	4.78	4.6704
Egyptian Pound	—	—	0.95	0.90	0.90	0.8854
ECU	1.8018	1.8245	—	—	—	1.8142

SUPPLIED BY BANK LEUMI

EUROPEAN FINANCIAL MARKETS

**PRECIOUS METALS (January 21)**

**GOLD:** LONDON A.M. FX 408.50 P.M. FX 407.20  
PARIS NOON FX 412.01 ZURICH P.M. 406.55

**SILVER:** LONDON FX 547.50

**PLATINUM:** LONDON P.M. 514.25

**PALLADIUM:** LONDON P.M. 123.00

**FOREIGN CURRENCY CROSS RATES (London 15.30 GMT) (January 21)**

	SPOT	3 MONTHS	6 MONTHS	9 MONTHS
DEUTSCHMARK	1.8470/85	1.8350	1.8077	1.8515
POUND STERLING	1.5190/00	1.5201/18	1.5017/8	1.5593/52
SWISS FRANC	1.5505/20	1.5505	1.5505	1.5517/5
JAPANESE YEN	153.67/77	153.65	153.65	153.71/2
FRENCH FRANC	6.1555/75	6.1555	6.1555	6.1555
ITALIAN LIRA	1314.75/50	1314.75	1314.75	1314.75
DUTCH GILDER	2.0835/45	2.0835	2.0835	2.0835
GERMAN MARK	38.355/75	38.355	38.355	38.355
DANISH KRONA	8.4500/05	8.4500	8.4500	8.4500
SCANDINAVIAN KRONA	4.6000/07	4.6000	4.6000	4.6000
EUROPEAN CURRENCY UNIT	1.1175/75	1.1175	1.1175	1.1175
FINNISH MARK	4.6000/05	4.6000	4.6000	4.6000
AUSTRALIAN DOLLAR	1.6000/05	1.6000	1.6000	1.6000
NORWEGIAN KRONA	7.4500/05	7.4500	7.4500	7.4500

Formula for determining forward rates:  
high/low (eg. 220/210) = deduct from spot price.  
low/high (eg. 210/220) = add to spot price.

NEW YORK FINANCIAL MARKETS

**U.S. MONEY RATES**  
Prime 7.50%; Broker 7.25%; NY Euro 3-months 6 1/4%  
Fed Funds late 6%

**NEW YORK FOREIGN EXCHANGE**

	DMK	SFR	STG	YEN	GBP	CAN
PREVIOUS CLOSE	1.8385/75	1.5401/15	1.5190/00	153.67/77	154.15/25	1.3582/83
OPENING	1.8485/85	1.5520/30	1.5180/70	154.15/25	1.5582/86	1.3582/86
LATEST	1.8383/83	1.5400/45	1.5200/40	153.67/77	1.5583/87	1.3583/87

**Comment**  
The dollar moved little in thinning trade yesterday. The main focus was on the currency talks later in the day between U.S. Treasury Secretary Baker and Japanese Finance Minister Miyazawa. Earlier, the dollar was helped by official statements and by a belief that the recent weakness would force West Germany and Japan to lower their interest rates soon.

ISRAELI STOCKS

**TRADED IN NEW YORK:**

**NYSE and ASE**

Alliance	1%	Prev. Close	1%	Low	1%	Vol ('000)
Am Int'l	20	20	20	20	20	39
Argel	1%	1%	1%	1%	1%	25
Elcor	2	2	2	2	2	172
Ex Levud	10%	10%	10%	10	10	15
Leumi Inds	12%	12%	12	12%	12%	143

**Over the counter**

Airt	Bank Leumi	Elcor	Elit	Elit Tel.	Elon	Fluor	IDB Bank	IS
22	22	22	22	22	22	22	22	22

WALL STREET Closing Prices

TRANS	856.88	-10.21	NAVISTAR	6%	UNCH
UTILS	224.32	+0.06	SALOMONSON	39%	+1/4
66 STKS	805.81	-6.03	IBM	123	+1/4
NYSE COMP	182.90	-0.72	ATT	28 1/2	+1/4
NYSE INDOS	177.82	-0.80	GEN ELEC	87	+1/4
NASDAQ	287.13	-0.81	SWELL-PACK	52%	+1/4
S-P 100 INDEX	287.13	-0.88	PHILIP MOR	21 1/2	+1/4
S-P COMPOSITE	287.13	-1.20	NASDAQ RJ	58	+1/4
AMEX INDEX	291.46	-3.02	NASDAQ RJ	58	+1/4

**Statistics**

NYSE	VOL 183,941,230	STOCKS UP 884	DOWN 1,081
NASDAQ	VOL 182,757,100 (Jan. 20)	STOCKS UP 1,088	DOWN 1,188

**Comment**

The longest blue chip rally in the market's history came to an end yesterday as the market reversed after 19 straight advances. Though it struggled throughout the day to keep the rally alive, the market finally succumbed to a bout of profit taking.

OVERSEAS FINANCIAL DATA PROVIDED BY REUTERS MONITOR

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Tel Aviv Stock Exchange

# MARKET STATISTICS

## Indices:

General Share Index	110.55+0.24%
Bank Index	120.08+0.55%
Non-Bank Index	104.04+0.05%
Bonds - total	107.04+0.39%
Index-linked	113.48+0.59%
Dollar-linked	113.78+0.14%
Treasury Bills	120.64+0.89%
Advances	123.32-0.23%
Declines	116.69+0.58%
Unchanged	127.32+0.02%
Trading Volume	118.45+1.35%
of which 5%+	122.47+0.62%
"buyers only"	128.50+0.51%
"sellers only"	107.31+0.29%
of which 5%+	107.32+0.38%
Unchanged	109.18+0.60%
Trading Volume	105.93+0.03%
of which 5%+	103.46-0.22%
Unchanged	104.36-0.04%
Trading Volume	107.27+0.25%
of which 5%+	106.54+0.39%

## Turnovers:

Shares - total	NIS 25,090,000
Arrangement	NIS 7,501,300
Non-Bank	NIS 17,588,000
Bonds - total	NIS 10,414,500
Index-linked	NIS 7,959,900
Dollar-linked	NIS 2,854,700
Treasury Bills	NIS 28,249,000

## Share Movements:

Advances	141 (230)
Declines	28 (24)
Unchanged	1 (6)
Trading Volume	125 (48)
of which 5%+	17 (2)
"buyers only"	0 (0)
"sellers only"	114 (118)
Unchanged	44 (24)

## Bond Market Trends:

Index-linked	3% fully-linked	Mixed to 3%
3% fully-linked	Mixed to 3%	

4.25% fully-linked	Rises to 1.5%
80% linked	Slightly rises
Double-linked	Generally stable
Seller-linked:	
Admon	Mixed:
Rimon	Generally falls to 0.5%
Gilboa	Mixed to 1%
For. Curr. denominated	Mixed to 1%
Treasury Bills (annual yield)	21.45-22.20%

## Arrangement yields:

IDB ord.	18.00%
Unl. Ord.	18.13%
Mitsubishi r.	18.09%
Discount r.	18.05%
Napocor r.	18.03%
General A	18.04%
Laumi stock	17.98%
Fin. Trade 1	17.98%

# ED PRICE QUOTATIONS

Price	Volume	%
000NIS change		

### J Banks

no trading		
22350	98	+1.3
4661	2598	-
5970	2080	-

### al Banks

75750	796	-
65100	251	-0.2
111750	592	-0.1
30500	1223	-
69540	2768	-
152100	62	-0.2
37650	819	-0.1
50200	103	-0.8

### je Banks

3270	877	+3.0
3340	250	-
3350	5476	+8.3
20000	204	-0.8
7680	90	-1.5

### ial Institutions

no trading		
ing 0.1	21000	40 +0.3

### ince

1500	789	+2.7
370	22795	+0.5
885	10436	-2.3
7100		
201	253	-5.7
6380	204	-2.2
10400	38	+3.0

## Trade & Services

Meir Extra	1330	1592	-3.5
Supersol 2	9320	998	-
Delek r	4175	5830	-
Lighterage	15920	83	+0.6
Cold Storage	1107	5805	-4.3
Den Hotel	1978	165	+4.0
Yarden Hotel	2800	68	+0.7
Hilon 1	24700	5	-2.0
Tegm 1	1100	3500	+4.8

## Real Estate, Building and Agriculture

Azorim	1005	13964	+1.3
Elion	563	22386	-2.8
Africa Isr. 0.1	4800	165	-
Dentron	5300	897	-
Prop. & Bldg.	4700	3528	-
Sayside 0.1	5800	1519	-
ILCO r	78400	355	+0.6
Rasmo r	9400	182	-
Mehadrin	10670	885	-0.8
Hedarm	1770	6730	-

## Industrials

Dubek b	4800	880	-1.2
Pri-Ze 1	13960	22	-0.9
Sunfront	18950	385	-0.3
Adgar	757	12124	-
Argaman r	18310	78	-0.2
Delta G 1	3880	1828	-1.0
Macquetta 1	5448	428	-1.1
Eagle 1	24525	108	-
Polgat	4495	2075	+1.0
Schoeller	17150	188	-1.7
Rogovin	2982	1054	-
Urden 0.1 r	8100	1037	+4.2
Is. Can Co. 1	3170	3916	-
Zion Cables	2477	1744	+5.4
Packer Steel	15700	123	-
Elbit	480000	34	+1.1

Erion	385000	328	+8.5
Art	31200	328	-4.9
Gel Electronics	2530	4695	-
Spectronic 1	2904	5638	-
T.A.T. 1	6945	151	-1.0
Academy 1	1105	3239	+4.2
Agan 5	18250	417	+4.6
Alliance	2346	385	+2.0
Declar	3434	446	-
Fertisera	5300	138	+0.9
Heifa Chem.	570	5884	+4.2
Teva	11880	2315	+4.2
Dead Sea r	4570	10048	-0.2
Petrochem.	588	34040	+1.6
Neca Chem.	8910	387	+2.8
Frutaron	3540	103	-
Hedera Paper	343700	84	-0.0
Central Trade	9975	2651	+1.8
Koor p	1850	1850	-
Chal Inds.	1850	1850	-

## Investment Companies

IDB Dev. r	7018	4088	-
Elion	4750	2282	-
Art 1	228	9557	-0.9
Galeket	1430	630	-5.6
Israel Corp. 1	13450	1508	-2.0
Wolfson 1 r	136700	180	+10.0
Napocoin Inv.	1180	2031	-
Discount Invest.	4355	12434	-
Mitsubishi Invest.	27400	84	+4.6
Chal 10	1325	9409	+1.8
Landeco 0.1	3650	14	+0.5
Perna 0.1	13570	55	-0.2

## Oil Exploration

Pez Oil Expl.	25200	180	-
J.O.E.L.	4320	1853	-0.1

Abbreviations:	
a.s. sellers only	b. buyers
a.s. buyers only	r. registered



# THE JERUSALEM POST

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## Like all the rest?

THE SCATHING indictment of university profligacy, mismanagement and indiscipline in the State Comptroller's report on the country's institutions of higher learning this week could easily be grieved to the mills of academy-bashers, of whom there is no dearth in the state of the People of the Book.

There they are, it will now be said, all those economics - and other - professors, who preach the virtues of belt-tightening and fiscal responsibility. Now they are exposed for bad management in their own bailiwick, inflated perks, inflated staffs, and all the rest of the well known maladies. And where the universities reduced costs was at the most convenient points like firing young instructors, or denying new equipment to laboratories or leaving libraries short of indispensable new books.

This would be a grossly simplified, indeed vulgarized, reading of the State Comptroller's report, but not completely without foundation.

The basic facts about the universities' financial plight - they are now some \$100 million in debt - have, of course, been known for some time now. It has also been known that their trouble is in no mean degree of the universities' own making. The governors of the Hebrew University, both Israelis and foreigners, discovered to their horror last summer that their institution had built up within a few years - under the nominal presidency of the doyen of the country's economists - a tiny deficit into a \$50 million budget gap.

Israel's other universities, with the exception of Bar-Ilan, may be somewhat better off, but not very much so.

To indict the universities is not to minimize the effort they have invested in averting disaster, by means of savings and reductions, in both administrative and academic staffs. Senior professors at the Hebrew University took the initiative in arranging a voluntary staff salary cut last year. But against this must be set the constant, and growing abuse of sabbatical privileges for purposes not of genuine research but of supplementing local earnings by moonlighting abroad.

It is astonishing to learn that the universities require no accounting from their teachers for their sabbatical activities. It is also amazing to discover that they systematically ignore policy directives issued by the Planning and Budget Committee of the Council of Higher Education, for example, by taking out loans without even seeking the required approval.

But there is another side to the coin, which university critics are apt to ignore, especially after the publication of this week's report. Academics are often rightly accused of living in ivory towers. But the universities in which they teach are themselves a part of the Israeli scene. The faults of the universities, grave as they are, are not necessarily graver than those of the country's municipalities, as recently depicted by the comptroller. Or of Solel Boneh, or Kupat Holim, or for that matter of any number of companies and organizations and moshavim and kibbutzim sunk by profligacy and mismanagement - and murderous interest rates - that are now crying out for help, mainly from the government.

Nevertheless, the people expect more of universities. And the universities must put their own house in order before they can prevail on their Friends abroad to raise their contributions, the hard-pressed government to show more liberality and the students to agree to any further increase in fees. Scholars, it is true, seldom make good administrators, and administrators tend to be poor judges of the requirements of scholarship. But a joint effort of both groups is needed to reorder academic priorities within the limits of the country's less-than-lavish resources.

Israel without first-class universities would not be the country most Israelis believe they live in. But the universities must take the first step in assuring that Israel does not fade into a black hole of underdevelopment.

## Lingering aftermath

THE RIFT between U.S. Jews and Cardinal John O'Connor after his visit to Jordan and Israel three weeks ago, has now been happily healed. A statement issued jointly by a group of American Jewish leaders and the archbishop of New York recorded agreement "on Israel's right to secure and recognized boundaries, and on the importance of addressing the Palestinian problem and the plight of the refugees."

The formal reconciliation, which implied a backtracking of charges on both sides, may not easily erase unpleasant memories of the hapless visit.

Blunders were certainly committed by all the parties concerned: by the Israel government, which invited the cardinal without considering the complications of such a visit; by the cardinal, who apparently misjudged the Vatican's response and who did not bother to find out whether his theological reading of the Holocaust might not be offensive to the Jews; by the Vatican, whose last-minute constraints on the cardinal, in meeting Israel's leaders in Jerusalem were club-footed, and by the President's Conference of American Jewish Organizations, which later criticized the cardinal in needlessly crude terms - and by the cardinal again, when he over-reacted to the Jewish reaction.

Nevertheless, it is good to know that the Jewish leaders and Cardinal O'Connor himself have now agreed that his visit was "a helpful contribution toward greater understanding" between Jews and Catholics. Unfortunately, the visit cannot be hailed as any great contribution to a better understanding between the State of Israel and the Catholic Church.

The fault is not the cardinal's. It is simply that, so long as the Vatican refuses, for whatever reason, to be theological or political, to recognize Israel *de jure*, and not merely *de facto*, relations with the Holy See will remain tinged with sourness, and will not permit normal such visits by Catholic prelates.

## POSTSCRIPTS

**P.S.** TWO MOSLEMS have been caught running a secret religious school in the Soviet central Asian republic of Tadzhikistan, according to the local press.

The latest edition of the *Kommunist Tadjikistana* said Kurbonkhudza Tabarov had made a public recantation, but criminal proceedings were being taken against his unrepentant colleague, Kambar Ibrahimov.

The two taught boys in a village called Bistonkal, giving them so much reading from the Koran that they had no time to do their state-school homework, the newspaper said.

It added that a number of local Communist Party officials had been sacked for poor ideological work - a failing often attacked in the press of the Soviet Union's Asian and still strongly Moslem republics.

**P.S.** THE U.S. CORPORATE Giant - General Motors involved 25 employees in a \$450,000 engineering project to help a former company executive improve his golf game, according to a Chinese-born engineer who is suing the car maker.

Kelvin Shih, who is seeking \$1 million in damages from GM because he contends he suffered racial discrimination, said the project was known as Ghost, an acronym for Golf Head Optical Speed Trap.

Shih, 46, said the project used lasers to analyse and help correct flaws in the speed and angle of a golfer's swing. He said the project was designed for retired GM engineering vice president Frank Winchell and that "25 people worked on it for a year."

Evidence of Ghost was introduced in the trial of Shih's suit in Oakland County, Michigan, Circuit Court.

# Health at any cost

Ram Ishai

THE SIGNING of the economic package deal between the government, Histadrut and the private employers, was delayed for many days in order to allow Histadrut Secretary-General Yisrael Kessar obtain extra government aid for the Kupat Holim Cholim health fund. During this time we day after day witnessed pathetic declarations by both sides: Kupat Holim accused the government of forsaking its obligations towards 85 per cent of the population which depends on the fund for its health care. While at the same time, government officials accused the Histadrut of blackmail that might ruin the economic policy and scored the *huizpa* of Kupat Holim whose management is responsible for the crisis because it did not make its system more efficient and curtail its expenditures.

Neither of the parties is in the right, and the public does not receive the appropriate care it is entitled to expect from the high scientific standards of its doctors and para-medical workers. The situation is sad: long waiting lists for specialist consultations, hospitalization and surgery, and when finally the patient is bedded, hospitalization is prolonged because of difficulties in operating diagnostic appliances, operating rooms or even a lack of drugs; not to mention overcrowding, promiscuity and quite frequently a shortage in bed linen and meals.

There is a world-wide crisis in the provision of health services and the magic word of today is "cost containment," but in Israel, the crisis is more severe due to additional local factors. There is an inability or lack of will to carry out needed reforms because of binding slogans from the past; it is as if one said: "since it is impossible to immediately improve the services for all, it is best not to improve them for anyone."

All over the world, the cost of medical care is approaching the limits of available resources, and governments and other third-party payers are giving more attention to the problem of containing and reducing cost. Even the richest countries have problems in sustaining these costs. Demand for health care is insatiable but governments do not have the funds for endless increases. This problem of priorities exists in all countries, regardless of their political and social systems of government and their health-care system. Even in France, where the right of medical care regardless of the person's income is sacrosanct, and where balancing disease and money seems intolerable, few would argue that funds must be available to meet all demands.

FOR YEARS, medical care grew more rapidly than salaries and the system worked only as long as there was economic expansion. The recession put an end to this and voices began to be raised saying that the growth in health expenses should henceforth follow the growth in gross national product. For the period between the years 1970 to 1977, health expenses in Japan grew by 17.5 per cent as opposed to a growth of 14.4 per cent in GNP for those years. The figures for other countries: Britain 19.1 per cent growth in health costs and 15.6 per

cent growth in GNP, and in West Germany 15.8 per cent as opposed to an 8.5 per cent increase in GNP.

According to the *Health Care Financing Review, Fall 1983*, the aggregate health expenditures in the U.S. by per cent of GNP in selected years was 3.5 in 1979, 8.6 in 1975 and 10.5 in 1982; in the same years per capita expenditures grew from \$29 (1979) to \$604 (1975) and \$1,365 (1982). If we compare the growth of expenditures in health with the economy as a whole in 1982 the figures are 12.7 per cent as opposed to 6.4 per cent. It is interesting to note that the participation of the individual in health expenditure decreased over these years. Contrary to popular wisdom, the share in health expenses of the government and public agencies in the U.S. is greater than in more "socialist" countries. Each dollar spent in health care can be broken down into: direct patient payments, 28 cents; private health insurance and other private third parties, 29 cents; and governmental, 43 cents (medical 16 cents, medical 11 cents, other state and federal programmes, 16 cents.)

In Germany, Sweden and the Netherlands, about 10 per cent of their GNP is spent on health care. In Israel, national expenditure was about 8 per cent in the last years instead of 5 to 6 per cent 10 years ago. Therefore, without minimizing the importance of efficiency and without releasing the medical institutions from their responsibility to the severe situation which prevails in the land, one should put things in the right proportion. One should know that even after all measures have been taken in efficiency, in preventing useless duplications and in long-range planning, there will still remain the big problem of balancing incomes and expenditures in health services.

Cost containment can be achieved in different ways: reducing demand or assuring only partial reimbursement - the demand side of the equation, or reducing the range of services available coupled with pressure on doctors to cut down on the services they offer - the supply side.

Politicians are reluctant to cut on the demand side, and they choose the easy way of controlling the supply side; they use slogans like "discouragement of ineffective medical services," "over-treatment" and "unnecessary treatment"; and the doctor is described as an indiscriminate waster of resources. Containment can be partly obtained by reducing the supply side, providing of course that there is comprehensive long-term planning, including the regulation of the number of physicians, limitation of hospital beds, and a move to less expensive ambulatory care, day-hospital and out-patient clinics. But we cannot reach the final goal without acting on the demand side, influencing the demand for services by passing on a part of the cost to the patient. This can be done by appropriate means without hurting the lower social economic groups.

HOWEVER, it is very difficult to

motivate the Israeli public to bring about an improvement in the health services. They have heard so many times that the situation is nearing a catastrophe, that they have become immune to such warnings and deep inside, they hope it may be possible to continue to live with the situation. For many years we have written about long waiting-lists, patients bedded down in hospital halls, wards with 25 beds and 35 patients, and the performance of medical acts such as enemas without any privacy because of overcrowding, until it became clear that nothing could be worse. Then, we were shown how elderly invalids, who needed support and rehabilitation, were being hurled at night from one hospital to the other. We also witnessed the closing of hospital wards because of budget problems and shortage of personnel, and we then thought we had reached the bottom of the abyss.

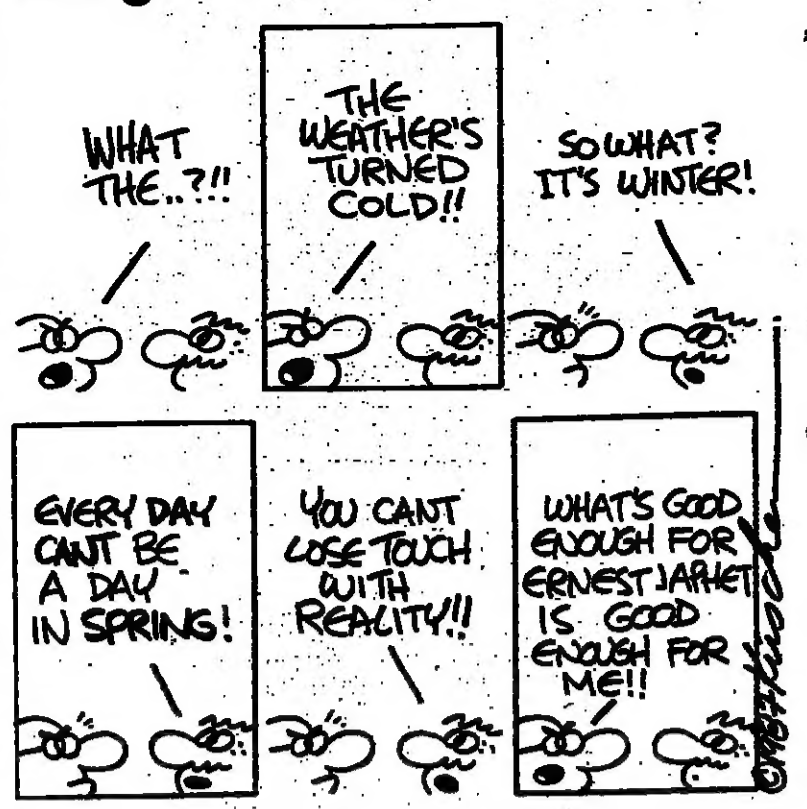
In the summer of 1985, the health ministry was ordered to cut 85 million dollars from its budget and so 1,000 hospital beds were removed. If a patient suffering from prostate enlargement had to wait for several months until being admitted, now he has to walk around for a longer period of time with his urinary waste bag. It can take over a year before his turn for surgery comes round. If a patient needs heart surgery, he will first have to wait several months before being catered for. It seems there is no limit to the Israeli's tolerance of suffering.

It is common knowledge that there is no comprehensive health planning; solutions are improvised, there is no serious management and sometimes prestige projects are undertaken at a cost of not performing vital day-to-day operations. Is this enough to justify the lack of a pace-maker for a needy patient, who has either to wait for it or to buy it from private sources? Whenever a crisis moment, urgent measures are taken but only part of them are realized; things return to the starting point until the next crisis. This process causes great suffering to patients: one could maybe find some justification were it only for a short-term solution as a part of a long-term policy based on priorities; in short, if there were planning.

The same goes for the endless arguments between the government and Kupat Holim. In December 1985, the government nominated a committee to examine the debts of Kupat Holim, the reasons for its accumulation and to find a solution. The committee presented the Gavish report which was used as a basis for a government decision taken in April 1986. The government decided to assist Kupat Holim while the latter was to take efficiency measures in order to cut down expenses. The Gavish committee felt obliged to "stress the severity of the government's cut in its contribution to the budget of Kupat Holim, an unprecedented situation in the history of the health service in Israel." The committee also pointed out that "one should avoid a situation whereby a vital service is caught in a financial whirl with a dead end, leading to Kupat Holim carrying an overload of exceptionally high interest rates."

Kupat Holim took upon itself to

## Dry Bones



cut down 1,700 beds, to operate day-hospital beds instead of full hospitalization and increase the turnover of beds.

One has the impression that, contrary to the catastrophic situation in the government's hospitals, Kupat Holim still enjoys a high standard; but of course everything is relative. The truth is that it is impossible today to curtail Kupat Holim institutions without further harming the quality of service. In government hospitals, we have already passed the red line and every day the doctors face painful dilemmas.

HOW IS it possible to reconcile the need to cut health costs with professional obligation? There is an incompatibility between the doctor's aim to treat his patient as an individual and the general interest of society. The doctor's duty was and remains to give his patient the best care he can; whereas society makes decisions according to the resources available. Doctors are naturally reluctant to collaborate in the regulation of expenses and see their duty to bring to each of their patients all the benefits of modern medical science. Reality, though, does not allow for this. It is not only in developing countries that the poverty of hospitals in terms of diagnostic and therapeutic means leads the doctor to perform euthanasia against his will. When there are insufficient resources to meet basic demands, one has to decide who can be saved and who cannot.

Cost containment means government by logistics and leads to arbitrary decisions based on cost effectiveness, rather than on the principle of the best interest of each individual patient. The patient is not the main goal, he has lost the choice his doctor, and lost the freedom to passing to his conscience and independence are absolutely essential. They are not because they are enjoyed by the doctor, they are a fund patient.

It would be penny wise and pound foolish to allow for a more drastic containment in health care resources. If we do not invest properly in the young, we will need greater resources tomorrow for the aged. This is true not only for day-to-day practice but also for medical research as it is unlikely that research will escape the scrutiny of the cost-containment movement. It is therefore essential that the case is made that the medicine of tomorrow is being created in the laboratories of today.

Nevertheless, one cannot ignore the fact that resources are not unlimited. If there is a consensus that it is the duty of government to provide doctors with the resources and tools they need to give the best care to the population, the physicians share this responsibility and they cannot be indifferent to the repercussions of health cost on public budget. To achieve the general aim of reducing expenditure, it is necessary to overthrow traditional concepts and habits; but the danger is that in attempting to solve economic problems, nobody will care anymore about the quality of care.

There can be no doubt that any further curtailment in the health system will turn Israel into a third-world country in the field of health services. There should be no more reductions in the supply-side, for any other solution is preferable. Should doctors face more curtailments, they will have to reduce the number of patients attended, but they will give good and reasonable medical care under the conditions imposed upon them. *who planned the... asking. I*

## READERS' LETTERS

**SHOSHANA MILLER**  
To the Editor of The Jerusalem Post  
Sir, - Your headline of January 14 "Shoshana Miller may stay in U.S." confirms my long-held suspicions. Miss Miller was a test case for the Reform movement.

Her rabbi's statement, "...Shoshana tried to make a go of it, but it just didn't work out," is probably one of the most ridiculous statements that I have ever heard. How long was she actually here? I have been "trying to make a go of it" for over 21 years. All Israelis, whether they be sabras or immigrants, try to make a go of it. We all live on a day-to-day basis. The difference is that some of us have committed ourselves to our country, to our people; from the most secular of Jews to the kollel student - we are here.

Nice try, Reform Judaism - but you flubbed it!  
**JUDY PERLMUTTER**  
Jerusalem.

Sir, - It seems to me that Shoshana Miller has made a fool of, and held up to public ridicule, the Israel government, the High Court, the State, the Law of Return and last but not least the Jewish people.  
**CYRIL ATKINS**  
Jerusalem.

**AMERICAN JEWISH ORGANIZATIONS**  
To the Editor of The Jerusalem Post  
Sir, - In writing about the Anti-Defamation League of B'nai B'rith ("U.S. group aided O'Connor visit," January 13), your reporter quoted me as saying "the ADL is larger and more influential than American Jewish organizations engaged in similar activities." The remark, taken out of context, referred to historic and specific areas of activity associated with ADL, and was not meant, as was mistakenly inferred, to diminish the stature of comparable organizations.

The American Jewish Congress, the American Jewish Committee, the American Israel Public Affairs Committee, and ADL - each has its own expertise, particular focus and identity. Each organization makes a significant contribution toward serving the American Jewish community and strengthening ties with Israel. Comparisons are not only misconceived but also detract from our common purpose.  
**HARRY WALL**  
ADL Israel Office  
Jerusalem.

## OVERCROWDING AT CONCERT

To the Editor of The Jerusalem Post  
Sir, - On December 20, I went to the concert of the IPO, conducted by Daniel Barenboim. I enjoyed it greatly, but was unpleasantly surprised by the large number of excess people who were allowed in. They choked the stairways on the balcony, obstructing the view of those just above them, and also sitting on their feet.

Besides being uncomfortable (including the temperature, as it became extremely hot in the hall), it seems to me that this situation is not compatible with standards of safety in case of an emergency, especially as there were no ushers in evidence.  
**M. VANSON**  
Herziya.

## HEBREW BY NIGHT

To the Editor of The Jerusalem Post  
Sir, - I refer to Beverly Meyers' letter of December 11 complaining about the difficulties she encountered as a working woman in learning Hebrew.

According to our Tel Aviv District Supervisor, classes at evening upzumin do not all start at 4:00 or 4:30 p.m. Some start later.

At all events, at a recent meeting with representatives of the Jewish Agency, it was decided to open certain Hebrew courses at 6:00 p.m. and to provide at least six hours of instruction, thus enabling those who work in the day to learn at night.

**Department of Adult Education Ministry of Education Jerusalem.**

## DRAFT

To the Editor of The Jerusalem Post  
Sir, - In 12 and 19 "Theatre Preter was refuted product. We have not seen it as never night."

## LIBI - The Fund for Strengthening Israel MEET THE CHALLENGE MAKE IT HAPPEN!

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